

To: All Members of the County Council
All Chief Officers

From COUNTY SECRETARY'S
DEPARTMENT

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**AUDIT COMMITTEE
12 DECEMBER 2002**

MINUTES

ATTENDANCE

MEMBERS OF THE COMMITTEE

N K Brook, D Clayton, A D Dodd, F J Escott, P V Goggins (Chairman),
G F Wenham (for R Sanderson).

Upon consideration of the agenda for the Audit Committee meeting on 12
December 2002 as circulated, copy annexed, action was taken or decisions were
reached on individual items as recorded below:-

1. MINUTES

The minutes of the meeting held on 20 June 2002 were confirmed.

2. DISTRICT AUDIT ANNUAL LETTER 2001/2

The District Auditor (DA) Karen McConnell, presented her annual Audit
letter which summarised the more important matters which had arisen
during the audit of the Council's accounts. She reported that an
unqualified opinion on the 2001/2 accounts would be issued very shortly
and that an opinion on the Best Value Performance Plan would be issued
by 20 December 2002.

She also circulated a supplementary paper which effectively replaced pages
3, 7 and 8 of the version sent out with the agenda.

Additional comments on these pages related to:

Best Value Performance Plan

The statutory opinion upon the BVPP would be issued before the end of
December 2002.

Performance Information

The DA would issue an unqualified opinion upon the indicators used as part of the CPA model.

Comprehensive Performance Assessment (CPA)

The Council had been assessed as excellent in the first round of CPA markings for upper tier authorities.

(A full copy of the final Annual Letter is available on www.hertsdirect.org and the replacement pages referred to in this minute are contained in the minute book.)

In response to the DA's recommendation that the County Council should endeavour to present its financial statements earlier in the year, the Finance Director reported that he had agreed with the DA that in the forthcoming year the deadline date for the closure of accounts would remain at 30 September, given that the County Council was in the process of introducing a new financial system.

In future years the County Council would endeavour to achieve this at an earlier date in the year.

RESOLVED:

That the officer responses set out in the report be sent to the District Auditor as the formal response to the 2001/2 District Audit Management Letter.

3. INTERNAL AUDIT REPORT 2001/2 – UPDATE

The Chief Internal Auditor updated the Committee on issues arising from his report for 2001/2.

4. RISK MANAGEMENT

The Committee noted that outcomes of the members' risk seminar held on 30 September 2002.

In regard to the District Auditor's recommendation that members should become more involved in the risk management process it was RESOLVED to recommend to the Cabinet:

- (a) That Chief Officers involve their respective Executive Members and appropriate Group Spokesmen in the risk identification and management process.

- (b) That an annual report on the outcome of the risk management process be presented to the Cabinet.

The Committee also agreed that they would receive an annual report on risk management. For 2003/04, an update report would be presented at their June 2003 meeting. In later years, an annual report would be presented so as to assist them in their consideration of the following year's District Audit Plan.

5. FUTURE WORK PROGRAMME

The following future work programme was agreed:-

<u>Committee Date</u>	<u>Items</u>
6 March 2003	<ul style="list-style-type: none"> • District Audit Plan 2002/03 • Internal Audit Plan 2003/04 • Contract monitoring item – Financial Services • Contract monitoring item – Care Services
5 June 2003	<ul style="list-style-type: none"> • Internal Audit Annual Report 2002/03 • Risk Management update report • Contract monitoring item – Passenger Transport

PART TWO (CLOSED) AGENDA

EXCLUSION OF PRESS AND PUBLIC

The Committee resolved that:-

“That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 7 of Part I of Schedule 12A to the said Act.”

1. CONTRACT MONITORING – WASTE MANAGEMENT

The Committee received the report of the Head of Waste Management on contracts for waste management. It was agreed that this area was an important one which would need to be revisited again early in the three year rolling cycle of contract review.

Andrew Laycock
County Secretary