



AUDIT COMMITTEE

WEDNESDAY 12 DECEMBER 2012 AT 7:30 PM

BULBOURNE ROOM, CIVIC CENTRE, HEMEL HEMPSTEAD

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Collins
Doole
Elliot
Lloyd

Taylor (Chairman)
Townsend (Vice-Chairman)
W Wyatt-Lowe

(Substitute Members: Councillors Anderson, Harris, Marshall and McKay)

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1. APOLOGIES FOR ABSENCE

To receive any apologies for absence

2. DECLARATIONS OF INTEREST

To receive any declarations of interest.

A member with a disclosable pecuniary interest or a prejudicial interest in a matter, who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw to the public seating area.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests or the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interest are defined in Part 2 of the Members' Code of Conduct.

3. MINUTES AND ACTIONS

To confirm the minutes of the meeting held on 28 June 2012 and consider the actions (Appendix A)

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

7. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to:

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

19 SEPTEMBER 2012

Present:

Councillors: Collins Taylor (Chairman)
Doole W Wyatt-Lowe
Elliot

Officers: R Baker Regulatory & Financial Accounting Team Leader
S Baker Assistant Director (Legal, Democratic & Regulatory)
S Flynn Assistant Director (Finance & Resources)
S Hamilton Communications & Consultation Team Leader
S Marshall Corporate Director (Finance & Governance)
J Worts Information Security Team Leader
L Stone Member Support Officer (Minutes)

Internal Audit: M Clarkson Deloitte
S Knowles Deloitte

External Audit: S Bladen Audit Commission
M Hodgson Audit Commission

The meeting began at 7.30 pm

42. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Lloyd, Townsend and Tiley.

43. DECLARATIONS OF INTEREST

None.

44. MINUTES AND ACTIONS

The minutes of the meeting held on 28 June 2012 were agreed by the Members present and then signed by the Chairman subject to the following amendment:

Minute 46 – Pre-Audit Statement of Accounts – 10th paragraph starting Councillor Doole referred to page 13. The paragraph should end with ‘She said this was detailed elsewhere.’ The following sentence was removed.

45. PUBLIC PARTICIPATION

None.

46. INFORMATION SECURITY UPDATE REPORT

J Worts introduced the report. He explained how the awareness of information security issues has been raised amongst staff and that the documents regarding this had been simplified. He outlined the Information Assurance Document Structure, the Corporate Information Protocol, the Corporate Information Security Management Policy and the Corporate Information Technology Security Policy. He said that all staff would be asked to sign to say that they had read all of the policies and that new employees would not be allowed to log onto a laptop or PC until they had read and signed the policies.

J Worts said that a flow chart had been produced within the Incident Reporting Procedure. He would circulate this to the Committee Members. Within the Corporate Information Technology Security Policy, a section on Smart Phones and Tablets would be added to section 5.7, Telephone/Fax and Desk Policy.

Councillor Taylor said that when J Worts had been appointed to the role of Information Security Team Leader, there was a lot of work to be carried out. He said it was clear how much work had been done since then and Councillor Taylor congratulated J Worts on the work and his comprehensive explanation.

Councillor W Wyatt-Lowe asked about Members and whether the Council would be liable for any breach a Member made or the Member personally. He also asked about the security of Members using their own devices to send and receive emails.

J Worts said that all Councillors had access to a Council laptop but understood that many chose to use their own equipment. He said that when handling restricted information, it would be advisable for a Councillor to use their Dacorum email address. J Worts said he planned to ask the advice of the Information Security assessor during the assessment in October.

S Baker said that the Council was a registered controller which included Members as long as they were processing data in connection with their role as a Councillor. Members could register themselves as a data controller to provide extra protection.

Councillor Doole asked if it did offer protection or simply registered a person or organisation. J Worts advised that in the event of an investigation, it helped provide transparency and that the controls in place could help to mitigate.

Councillor W Wyatt-Lowe suggested that a Member development session was needed on this topic. Councillor Taylor agreed.

Councillor Doole said that the policies were quite long and asked if staff would receive a reduced version if being asked to confirm they had read it each time they logged on. J Worts said there was a disclaimer to accept whenever an employee logged on as a reminder. New starters would have to read it fully before logging on for the first time. S Baker added that this followed advice from the Information Commissioner's Office.

Councillor W Wyatt-Lowe asked in guidance would be included in the home working policy on information being visible to other people in the household. J Worts said that this policy needed finalising with Human Resources and would include this aspect.

Resolved:

The Committee accepted the update report.

Actions:

- J Worts to circulate the Incident Reporting Procedure flow chart to the Committee;
- A Member development session to be organised on Information Security.

47. STATEMENT OF ACCOUNTS 2011/12

S Marshall tabled a revised version of pages 82 to 85 of the Statement of Accounts. There were 2 additional paragraphs highlighting a breach of the Data Protection Act 1998 which the Council had recently become aware of. There were no material changes and few immaterial changes since the Statement of Accounts was presented to the last meeting.

S Marshall thanked the team involved in preparing the Statement of Accounts and thanked R Baker in particular.

The Committee at this point agreed recommendations a) and b) below. The discussion then moved on to agree the next item, returning to this item to agree recommendation c) below.

S Marshall said that the letter of representation would be sent from herself, S Baker and Councillor Taylor. It addressed the standard issues raised by the Audit Commission as well as a statement on Mutual Municipal Insurance and Heritage Assets.

Resolved:

The Audit Committee:

- a) reviewed the Statement of Accounts 2011/12 and raised any issues which provided them with the assurance that they needed to approve the Statements on behalf of the Council;
- b) approved the Statement of Accounts for 2011/12; and,
- c) having considered the External Auditor's Annual Governance report, approved the letter of representation as attached at Appendix B of the report in the capacity of those charged with Governance.

Actions:

None.

48. EXTERNAL AUDIT REPORT – ANNUAL GOVERNANCE REPORT

M Hodgson said that the Annual Governance Report was a good news story. The papers had been submitted on time, the level of queries had been lower and less complex and where there were queries, these had been handled expediently. The outstanding matters at the time of producing the report had been completed with no matters arising. There were no material errors requiring the Audit Committee's attention. M Hodgson said there were no risks to be raised.

The requests in the letter of representation were standard matters, with two specific requests on Provisions and Contingent Liabilities and Heritage Assets which had been dealt with. The Audit could be certified the following day which was ahead of the deadline of 30 September.

Councillor Taylor said it was rewarding to see the team of Members, officers, Internal and External Auditors working together to achieve such excellent results. He thanked everyone who had been involved in the process.

Resolved:

The Audit Committee accepted the Annual Governance Report.

Actions:

None.

49. INTERNAL AUDIT PROGRESS REPORT

S Marshall explained that following previous feedback on the format of the Internal Audit progress reports, changes had been made to the way in which it would be presented. S Marshall, the Portfolio Holder for Finance and Resources and the Chairman of the Audit Committee had met with officers from Deloitte to discuss the best way to present the information. The report included in the agenda was in the new format and provided a clearer audit report.

There would be a Member Development session arranged on Risk Registers and Risk Based Auditing in the early part of next year. This would be open to all Councillors.

M Clarkson outlined the new report format. He explained that page 1 provided an update since the previous report. If an audit provided substantial or full assurance, a summary of the key points would be included. If limited or nil assurance was given, the full final report would be included. Page 2 included the follow up of recommendations. If any gave cause for concern, these would be detailed in the report.

Page 3 showed the definitions of the levels of assurance and the symbols included a letter as the report was printed in black and white. Page 4 would list any priority 1 recommendations raised since the previous report. Appendix 1 showed the status of all the year's audits and Appendix 2 gave a summary of the final reports. Appendix 3 showed the follow up of priority 1 recommendations and finally, Appendix 4 showed the follow up of all recommendations made where they had not been implemented as at the previous meeting.

Resolved:

The Audit Committee accepted the Internal Audit Progress Report.

Actions:

A Member Development session to be arranged on Risk Registers and Risk Based Auditing in the early part of next year.

50. ADDENDUM TO MINUTE 46. INFORMATION SECURITY UPDATE REPORT

S Baker tabled an addendum to Minute 46 Information Security Update Report. The addendum was to inform the Committee of a breach of the Data Protection Act 1998. S Baker went through the report which detailed the breach as well as actions taken by the Council since the discovery.

S Baker explained that the matter was for information only at this stage and that Members would be kept informed of any updates. Councillor Taylor asked that Members make a note of any questions or thoughts and said that he would collate them to put to officers at an appropriate time.

51. WORK PROGRAMME

Resolved:

The Work programme was agreed.

The meeting ended at 9.05 pm

APPENDIX B

AUDIT COMMITTEE: Work Programme 2012-13

MEETING DATE	DEADLINE TO MONITORING OFFICER	DEADLINE TO MEMBER SUPPORT	ITEMS:	WHO RESPONSIBLE
6 February 2013	23 January 2013	25 January 2013	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
24 April 2013	10 April 2013	12 April 2013	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit