



AUDIT COMMITTEE

WEDNESDAY 19 SEPTEMBER 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)

For further information, please contact Lucy Stone on Tel: 01442 228224, Fax: 01442 228264, Email: lucy.stone@dacorum.gov.uk Information about the Council can be found on our website: www.dacorum.gov.uk

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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.

AGENDA ITEM: 5

SUMMARY

Report for:	Audit Committee
Date of meeting:	19 September 2012
PART:	1

Title of report:	INFORMATION SECURITY UPDATE REPORT
Contact:	Author/Responsible Officer: John Worts, ICT Team Leader
Purpose of report:	To update Audit Committee on actions taken following Internal Audit report on Information Security.
Recommendations	That Audit Committee consider and accept the update as provided in the body of this report.
Corporate objectives:	
Implications:	<u>Financial</u> None arising from this report
'Value For Money Implications'	<u>Value for Money</u> None arising from this report
Health And Safety Implications	

Introduction

As part of the action plan following the Information Security Audit, I have authored and combined the Council's ICT Security and Information Management Policies.

In May 2012 Audit Committee – I presented to the Committee an update or highlight report covering the 24 point action plan.

A Majority of these areas have been completed, with some elements becoming more of an on-going project.

I would like to take this opportunity to appraise you of the Council's new Information Policy / Procedure structure – which I have entitled 'Information Assurance'

Information Assurance Document Structure

Previously these were located on the Council's Intranet and spread across various locations. The ICT Policies were separated into various technical areas resulting in over thirty different policy documents.

A revamp of the policies was required, and a stronger overarching policy was needed, whilst the disparate technical policies have been combined into one document.

A naming convention has been applied to make it easier to distinguish protocol, policy, procedures, forms and guidance notes.

The protocol, policy, procedures and guidance notes – are all located in one area on the Council's intranet under 'Documents...Information Management and Security'.

Alongside the relevant corporate policies, I will also place useful hints and tips as well as current alerts for staff and members alike.

I have included a number of enclosures in this report, that I would like to draw your attention to, namely;

1. Information Assurance Document Structure V3.6 August 2012 (Appendix A)
2. DBC000 IAP Corporate Information Protocol (Appendix B)
3. DBC001 IS Corporate Information Security Management Policy (Appendix C)
4. DBC010 IS Corporate Information Technology Security Policy (Appendix D)

DBC000 Corporate Information Protocol is the overarching statement and drivers document.

DBC001 is the global information security policy recommended by internal audit, and DBC010 is the document that I have derived from the disparate technology policies previously held by the Council.

These documents are authorised and live, and I will subject to appropriate authorisation ensure they are current and informed of changes to regulation and compliance standards.

I would like to provide a summary of the enclosed and would welcome your views, comments and thoughts.

AGENDA ITEM: 6

SUMMARY

Report for:	AUDIT COMMITTEE
Date of meeting:	19 September 2012
PART:	I
If Part II, reason:	

Title of report:	Statement of Accounts 2011/12
Contact:	Cllr N Tiley, Portfolio Holder for Finance and Resources Sally Marshall, Corporate Director (Finance and Governance)
Purpose of report:	The purpose of this report is to present the Council's Statement of Accounts for 2011/12. It covers: <ul style="list-style-type: none"> · Account and Audit Regulations 2011 · Section 21(2) Local Government Act 2003 · Statement of Accounts · Commentary on financial statements
Recommendations:	It is recommended that Members of the Audit Committee: <ol style="list-style-type: none"> a) review the Statement of Accounts 2011/12 and raise any issues which will provide them with the assurance that they need to approve the Statements on behalf of the Council; b) subject to (a) above, approve the Statement of Accounts for 2011/12; and, c) subject to consideration of the External Auditor's Annual Governance report, approve the letter of representation as attached at Appendix B in the capacity of those charged with Governance.
Corporate objectives:	Corporate Governance
Statutory Officer Comments:	<p>Section 151 Officer :</p> <p>My comments are included within the body of this report and within the commentary and explanatory foreword to the Statement of Accounts.</p> <p>Monitoring Officer:</p> <p>The Council has a statutory duty to approve the Statement of Accounts by 30 September in accordance with the Account and Audit Regulations 2011.</p>
Consultees:	None
Background papers:	None

BACKGROUND

1. The Account and Audit Regulations 2011 require that local authorities must approve their financial statements by 30 September. The District Auditor must complete his audit and issue the relevant audit opinion to ensure the statutory deadline is met.
2. The purpose of the external audit of the financial statements is to give an opinion on:
 - a) whether they present a “true and fair” view of the financial position of the audited body and its expenditure and income for the year in question; and
 - b) whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards.
3. The Auditor’s opinion is added to the Statement of Accounts, with further detail of the audit findings provided in the Annual Audit Letter to the Council.
4. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting 2011/12 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
5. An explanation of the impact to the Accounts arising from changes to the Code and accounting policies is detailed in Note 39 of the Statement of Accounts.

Statement of Accounts

6. It is the role of the Corporate Director (Finance and Governance) to present the Council’s annual Statement of Accounts to this Committee for formal approval.
7. The published accounts of the Council are an essential means by which it accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources. The Corporate Director (Finance and Governance), is required to:
 - a) ensure the regularity of transactions, by putting in place systems of internal control to ensure that financial transactions are lawful;
 - b) maintain proper accounting records; and
 - c) prepare financial statements that give a true and fair view of the financial position of the body and its expenditure and income.
8. The Statement of Accounts includes an explanatory foreword which provides a user-friendly guide to the most significant matters reported in the accounts together with an overview of the Council’s financial performance throughout the year.

Comprehensive Income and Expenditure Statement

9. The Comprehensive Income and Expenditure statement is fundamental to understanding the Council’s activities, in that it reports the net cost for the year of all functions for which the Council is responsible and demonstrates how that cost has been financed from general government grants and income from local taxpayers.

10. Total Comprehensive Income and Expenditure for the year was a net loss of £388.9m and consists of the following:
 - a) Deficit/(Surplus) on the Provision of Services of £371.2m (2010/11: £72.5m); and
 - b) Other Comprehensive (Income)/Expenditure of £17.7m (2010/11: (£31.3m)).
11. The service expenditure within the Deficit on the Provision of Services is presented in accordance with the "Service Reporting Code of Practice for Local Authorities" to enable comparability with other councils.
12. The change in the Deficit/(Surplus) on the Provision of Services of £298.7m between years is primarily due to the following:
 - a) £354m one-off charge in 2011/12 arising from the introduction of Housing Self Financing;
 - b) £40.0m increase in revaluation losses during 2011/12, mainly due to reduction in house prices;
 - c) £17.2m one-off credit to pension expense in 2010/11 due to a change in the basis of calculating the obligation from RPI to CPI from 1 April 2010;
 - d) £112.2m one-off charge in 2010/11 as a result of a decrease in the vacant possession adjustment factor applied to the Council Dwellings from 46% to 39% as of 1 April 2010 in accordance with The Stock Valuation for Resource Accounting Guidance for Valuers – 2010;
 - e) £1.4m increase in income in 2011/12 primarily relating to changes in the fair value of Investment Properties;
 - f) £1.4m lower expenditure in 2011/12 following the phasing out of the Council's discretionary travel scheme as statutory responsibility for the provision of Concessionary Fares passed to Herts County Council;
 - g) £4.3m reduction in Taxation and Non-specific Grant Incomes; and
 - h) £2m net reduction in costs of services in 2011/12, following successful implementation of a number of savings initiatives, primarily Phase 2 of the staffing restructure.
13. Other Comprehensive Income and Expenditure primarily covers those accounting transactions that result from movements in market prices and indices outside the influence of the Council. For 2011/12, these transactions totalled £17.7m and consisted of:
 - a) £3.4m net loss on the revaluation of property; and
 - b) £14.3m actuarial losses on the pension fund assets and liabilities.

Balance Sheet

14. The Balance Sheet is fundamental to understanding the Council's financial position at the year end. It shows the balances and reserves and its long-term indebtedness, and the fixed and net current assets employed in its operations, together with summarised information on the fixed assets held.
15. The Council's net worth was £384.1m as at 31 March 2012, which represents a decrease of £388.9m on the previous financial year. The primary reasons for the net decrease are:
 - a. £346.9m decrease due to the new Council borrowings following the introduction of Housing Self Financing;
 - b. £22.1m decrease in property values on revaluation; and
 - c. £14.5m increase in the net pension liability.

Movement in Reserves Statement

16. The Movement in Reserve Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and 'other reserves'.

Cash Flows Statement

17. The Cash Flows Statement shows the movements in cash and cash equivalents held by the Council throughout the year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

Housing Revenue Account

18. The Housing Revenue Account (HRA) is 'ring-fenced' from the General Fund. This reflects the Council's statutory obligation to maintain a separate revenue account for local authority housing provision in accordance with Part 6 of the Local Government and Housing Act 1989.
19. The HRA shows a deficit of £371.2m for 2011/12. The primary reasons for the net decrease are:
 - a) £354m one-off charge in 2011/12 arising from the introduction of Housing Self Financing; and,
 - a. £18.6m decrease in property values on revaluation.

Collection Fund

20. This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to non-domestic rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors and the General Fund.

Changes to the Accounts Approved by the Corporate Director (Finance and Governance) on 28 June 2012

21. There have been no material changes to the Statement of Accounts since the report to Audit Committee on 28 June 2012.
22. The two most notable of the immaterial changes relate to Provisions and the treatment of Dwellings Revaluations, which are covered in more detail in the paragraphs below.
23. An additional provision has been included within the accounts in relation to litigation claims against the Council. This has been calculated at a value of £200k. This change reduces the closing General Fund working fund balance by £200k. The likely payments associated with this litigation have already been included within the 2012/13 budget approved by Full Council in February 2012, and this change will, therefore, have no impact on taxpayers.
24. The revaluations of dwellings were reviewed by the Financial Services team as part of the migration of housing data to the asset management system. This review identified a small error in the treatment of the downward valuations. Of the £19.3m total revaluations, £161k was reversed out from the Income & Expenditure account and charged to the Revaluation Reserve to offset previous gains held in the Reserve.

Conclusion

25. The report represents a detailed picture of the Council's financial activity for 2011/12. I would like to thank all colleagues for their help, support and dedication in the preparation of the Statement of Accounts.

APPENDIX B

Date: 19 September 2012
Your Ref: DA05612A/LoR/SB
Our Ref: SM/RB/LoR
Contact: Sally Marshall
Email: Sally.marshall@dacorum.gov.uk
Directline: 01442 228313

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Dear Mr Hodgson

AUDIT OF ACCOUNTS 2011-12 LETTER OF REPRESENTATION

We set out below details of the Council's letter of representation in relation to the audit of accounts 2011/12 as requested. The signatories to this letter, being those charged with governance at the Council, can confirm the following:

Compliance with the Statutory Authorities

We acknowledge responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice for Local Authority Accounting in the United Kingdom which present a true and fair view of the financial position and financial performance of the Council and for making accurate representation to the external auditor.

Uncorrected misstatements

We confirm the effects of any uncorrected misstatements within the financial statements are not material to the financial statements, either individually or in aggregate, and any uncorrected misstatements have been discussed with those charged with Governance.

Supporting records

We confirm that all accounting records, other records and related information, including the minutes of all council and committee meetings have been made available to you for the purposes of your audit, and that all the transactions undertaken by the Council have been properly reflected and recorded in the accounting periods.

Going Concern

We confirm that it is appropriate to adopt the going concern basis in the preparation of the financial statements and that the financial statements include all necessary disclosures relating to going concern.

Irregularities

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud or error, and confirm that there have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

We can further confirm that we have no knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control, or others where fraud could have a material effect on the financial statements. Nor do I have any knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

We confirm that we are aware of no instances of non-compliance with laws, regulations and codes of practice, which are likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Accounting Estimates Including Fair Values

We can confirm that the significant assumptions within the financial statements covering investments, provisions, depreciation and accruals are reasonable; specifically in relation to:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the method;

- the assumptions appropriately reflect the management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures;
- the disclosures relating to accounting estimates are complete and appropriate under the code; and
- that no subsequent event requires the Council to adjust the accounting estimates and related disclosures included in the financial statements.

Compensating arrangements

We confirm that there are no formal or informal compensating balancing arrangements with any of the Council's cash and investment accounts.

Provisions and Contingent liabilities

We confirm that there are no other provisions or contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular that:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

In respect of Mutual Municipal Insurance (MMI), we have concluded that whilst there is an increased likelihood that the Scheme of Arrangement will be triggered, we do not consider that a reliable estimate of the cost to the Council can be made at this time, and therefore under International Accounting Standard 37 a contingent liability is appropriate.

Related party transactions

We can confirm the completeness of the information disclosed regarding the identification of related parties and that the Council's registers of interest are complete and up to date in respect of Directors and senior staff.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

Post balance sheet events

We confirm that since the date of approval of the financial statements by the Council, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements and that the Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements

Heritage Assets

We confirm that appropriate enquiries and investigations have been made to identify all material heritage assets held by the council.

Yours sincerely

Sally Marshall
Corporate Director (Finance & Governance)

Steve Baker
Assistant Director (Legal, Democratic & Regulatory)

Cllr Roger Taylor
Chair of Audit Committee

9. 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

28 JUNE 2012

Present:

Members:

Councillors	Collins	Taylor (Chairman)
	Doole	Townsend
	McKay	W Wyatt-Lowe

Officers:	R Baker	Regulatory & Financial Accounting Team Leader
	S Flynn	Assistant Director – Finance & Resources
	S Marshall	Corporate Director – Finance & Governance
	L Stone	Member Support Officer (Minutes)

Internal Audit: M Clarkson Deloitte

The meeting began at 7.30 pm

42. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Lloyd, McKay and Tiley. Councillor McKay substituted for Councillor Lloyd.

43. DECLARATIONS OF INTEREST

None.

44. MINUTES AND ACTIONS

The minutes of the meeting held on 30 May 2012 were agreed by the Members present and then signed by the Chairman.

Actions from 30 May 2011:

It was confirmed that a Project Initiation Document had been emailed to the Audit Committee.

45. PUBLIC PARTICIPATION

None.

46. PRE-AUDIT STATEMENT OF ACCOUNTS

S Marshall outlined the first section of the report on the Council's outturn position. She explained that the provisional outturn position for 2011/12 was considered by Cabinet in May and a number of further adjustments had been made, detailed in the report. The key change

was that two additional contributions to Earmarked Reserves had been recommended by Cabinet to Full Council.

Councillor Townsend asked to what extent the Council had an overarching policy on Earmarked Reserves. S Marshall said that the Budget report agreed by Full Council in February had reviewed each existing and new Reserve. New Reserves were only created in line with the Council's Corporate Plan and Priorities. Other core documents in the process were the Medium Term Financial Plan, the five year Capital Programme and the budget setting process.

Councillor Collins referred to the sizeable slippage in the General Fund and asked if it was planned. S Marshall said it was not planned. There was a five year Capital Programme created with the Group Managers which was reviewed throughout the year. The General Fund had a history of underspending and S Flynn and James Deane had therefore carried out a lot of work with Group Managers to keep reviewing the programme and reduce the level of slippage. S Marshall explained that the concern was that the money was being held in short term deposits which would not be earning the best interest possible. Capital budgets were now being included in the Council's general ledger system which would provide better monitoring in being able to show the cost of impact of non-delivery. S Marshall added that some delays to projects could not be helped.

Councillor Doole said there could be a double impact of non-delivery in an increased cost of a project due to inflation as well as the loss of interest. S Marshall said this was possible.

Councillor Collins said there was a balance needed so as not to rush projects. S Marshall said that was why the reviews were carried out during the year. S Flynn added that there was previously one resource within the finance team for reviewing the Capital Programme; there was now an accountant for each area. He said there were two major projects which had contributed to a large proportion of the slippage in this year.

S Marshall then introduced the Statement of Accounts. She thanked S Flynn, J Deane and the finance team and gave particular praise to R Baker who had qualified as a CIPFA accountant just last year and had pulled together the accounts to schedule. Councillor Taylor endorsed the praise for the whole team and R Baker on behalf of the Committee.

S Marshall said the Statement of Accounts included the Comprehensive Income and Expenditure Statement which showed that the Council had taken on a £354 million debt. The main changes compared to previous years were set out in the report. It also included the Balance Sheet and certain statutory requirements: Movement in Reserves Statement; Cash Flows Statement; Housing Revenue Account and the Collection Fund.

S Marshall identified three minor amendments to the Statement of Accounts presented to the Committee:

1. Page 58, first paragraph, last sentence to read '*....has been included in Cultural and related services....*'
2. Page 75, the total stated at in the maturity analysis of long term borrowing by the Council table should state £346,739.
3. Page 81, first sentence within paragraph headed Further Information on Sculptures and Artwork not held on Balance Sheet should state 'The Council holds a further *seventeen* pieces of artwork....'

Councillor McKay asked why if Heritage assets had to be included for the first time this year did it compare to previous years. R Baker explained that they had to be valued from 1 April 2010, so the previous valuation had been added in.

Councillor Doole said that on page 5, fourth paragraph, it should state 'Each of the members on the *Cabinet* has a portfolio...' S Marshall said this would be changed.

Councillor Doole referred to page 13, Council Tax Collection. He asked for clarification that the £75 million collected was the total amount collected rather than the Council's share. S Marshall confirmed this to be the case. She said this was detailed elsewhere, but agreed and said that this paragraph would be made clearer by adding that the Council was the billing authority.

Councillor Townsend asked if there was any reference to the performance on Capital spending. S Marshall said this was included at Appendix D of the report. Councillor Townsend asked for any broad comments on the cash flow other than the Housing Revenue Account and Pensions. S Marshall said that the main movement was on the Housing Revenue Account Self Financing, Actuarial losses and the revaluation losses. She added that in the past, there had been more problems in impairment, but there been less impact this year as house prices had dropped less than in the previous few years.

Councillor Townsend asked if the process of revaluation had been improved since the previous criticism. S Marshall said that a few years ago, the Audit Commission had not approved of the methodology of the valuers. A new approach to valuations had since been adopted and the instructions to the valuers had been shared with the Audit Commission.

Councillor McKay asked if impairment led to any practical implications. S Marshall said it did not have an impact on Council Tax. It needed to be altered on the balance sheet so that if the Council needed to dispose of an asset, the value, which would be less, would be properly recognised.

Councillor W Wyatt-Lowe referred to the slippages and asked if the changes to the Capital items were listed. S Marshall said some slippage items had been re-profiled, nothing had been completely removed from the programme.

Councillor Townsend referred to the Pensions Reserve and it being negative. R Baker said there was also a line included in Long Term Creditors which offsets this. The long term creditor relates to the liability of the pensions scheme which was charged to the Income and Expenditure Statement. The negative Pensions Reserve was to remove the impact of this on Council Tax Payers.

Councillor Townsend enquired about the Long-term Creditors and what this included. R Baker said these were long-term leases for which the rental had been paid in advance, and gave Jarmans Park as an example.

Resolved:

The Audit Committee:

- a. Reviewed the financial outturn position for 2011/12;
- b. Approved the proposed movements on earmarked reserves;
- c. Reviewed and approved Capital Slippage to 2012/13;
- d. Reviewed the Statement of Accounts 2011/12;
- e. Approved the Annual Governance Statement included within the Statement of Accounts.

Actions:

None.

47. DRAFT INTERNAL AUDIT OPERATIONAL PLAN 2012/13

M Clarkson presented the draft plan which had been updated following discussions with the management team. Changes made included:

1. Inclusion of the Localisation of Council Tax
2. Updated scope of Procurement to include a focus on Housing Repairs
3. Updated scope of Regeneration, to focus on the Public Service Quarter and Jarman Park
4. S106 removed and replaced by Community Infrastructure Levy
5. Addition of Data Management Security with a focus on home working.

Councillor McKay asked if the ICT audits would include disaster recovery. M Clarkson said this was carried out in the previous year; the recommendations would be followed up. Councillor Taylor added that J Worts had provided an update to the Committee at the previous meeting and would be coming back to the September meeting.

Councillor Townsend said that an overarching statement of methodology was included in the report, but it did not state exactly how the list of 20 internal audit areas was agreed. He asked for further information on making this connection. M Clarkson said they had gone through an assurance mapping process. Various risks were cross referenced and mapped. They also took into consideration where the Council received assurance from elsewhere. He said that he could provide a paper on how this was achieved or hold a session with Members to outline the process. The Committee agreed that M Clarkson should send a paper on how the process was completed to the Audit Committee and substitutes. Members would then be able to go back to M Clarkson to discuss any queries or comments on a one to one basis.

Councillor Doole said that an area not included in the plan was the Customer Service Unit which was being market tested. He said it would not be easy to spec that project and he therefore hoped that a number of Internal Audits would be carried out in areas to check the Risk Assessments in the tendering process. M Clarkson said that an audit of procurement was included which would focus on the Housing Repairs Contract. S Marshall said this was a significant project which had a number of issues during the last tendering process. She added there was potential to include the Customer Service Unit in the Contract Management audit.

Councillor Doole also referred to ICT Service Delivery and said that he would like to see a measurement of its effectiveness. S Marshall said that Internal Audits looked at whether the controls were in place rather than their effectiveness. She said that a more appropriate forum to look at ICT effectiveness would be through the Finance and Resources Overview and Scrutiny Committee.

Councillor McKay expressed concern on the implementation of the building decant and flexible working. M Clarkson said the audit of the project management on the Public Service Quarter would cover some of those issues. Flexible working in terms of data security had also been included. S Flynn added that a pilot of flexible working would take place within the Revenues and Benefits service as they had a large amount of customer contact.

Councillor W Wyatt-Lowe expressed concern that there was no system in place of monitoring the availability of all the areas of the Council's website. M Clarkson said they would look at Key Performance Indicators and systems availability as part of the monitoring arrangements in the IT Service Delivery audit to check monitoring the service and what action was taken if delivery targets were not being met. M Clarkson suggested that any particular concerns were highlighted so they can be taken into consideration when scoping this audit.

Councillor Doole asked for clarification on what was meant by Continuous Auditing within Governance, Fraud and Other Assurance Methods. M Clarkson said this referred to downloading complete data sets and analysing for anomalies, error and for signs of fraud.

Resolved:

The Audit Committee approved the Internal Audit Plan subject to seeing the Assurance Mapping process and route to arrive at the plan.

Actions:

M Clarkson to send a paper on the Assurance Mapping carried out to the Audit Committee and substitutes. Members to contact M Clarkson with any queries or comments.

48. WORK PROGRAMME

Resolved:

The Work programme was agreed.

The meeting ended at 9.00 pm

AUDIT COMMITTEE: Work Programme 2012-13

MEETING DATE	DEADLINE TO MONITORING OFFICER	DEADLINE TO MEMBER SUPPORT	ITEMS:	WHO RESPONSIBLE
12 December 2012	28 November 2012	30 November 2012	Annual Audit Letter	Audit Commission
			Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
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

