

**AUDIT COMMITTEE**

**WEDNESDAY 25 APRIL 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

Douris (Chairman)

Elliot

Taylor

Townsend

W Wyatt-Lowe (Vice-Chairman)

(Substitute Members: Councillors Anderson, Harris and Marshall)

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

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## PART II

Appendix C – Part II minutes of the Audit Committee meeting held on 8 February 2012

### 1. MINUTES AND ACTIONS

To confirm the minutes of the meeting held on 8 February 2012 and consider the actions (Appendices A and C)

### 2. APOLOGIES FOR ABSENCE

To receive any apologies for absence

### 3. DECLARATIONS OF INTEREST

To receive any declarations of interest

### 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

<b>Report for:</b>	<b>Audit Committee</b>
<b>Date of meeting:</b>	<b>25<sup>th</sup> April 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Health &amp; Safety Status against Priority 1 Audit Action</b>
Contact:	<b>Cllr. Brian Ayling</b> , Portfolio Holder for Performance, Improvement & Transformation  Author/Responsible Officer: <b>Bill Haylock</b>
Purpose of report:	'A formal annual review / audit of all areas of the Health & Safety system should take place in order to ensure that procedures are being adhered to by each service area. The review should include all areas of the Council and findings should be reported to Senior Managers and the Corporate Management Team. Where areas of concern are identified, an action plan should be agreed in order to mitigate Health & Safety risks'
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	As detailed in the body of the report

**1. Health & Safety Priority 1 Action Progress Update  
(increased profile & focus of Health & Safety with Dacorum Borough Council)**

Significant progress has been made on the implementation of the key objectives contained in the Health & Safety Action Plan 2011/2012, with specific focus applied to the completion of all Service Group Audit Programmes.

**2. Dacorum Borough Council Health & Safety Strategy**

DBC Health & Safety Strategy 2011 to 2013 has been documented, agreed by CMT and issued.

(Document is available via SharePoint in the Health, Safety & Wellbeing Zone).

**3. Health & Safety Organisation Model**

DBC Health & Safety Organisation Structure Model has been developed and agreed to identify all Area Safety Coordinators, Unison & Unite support to all Service Group Managers as appropriate (Structure Model attached).

**4. Leadership Team Health & Safety Training**

Two training courses delivered supporting all Corporate Directors, Assistant Directors and Group Managers, to cover Sensible Risk Management, Summary of Government direction (Good H&S – Good for Business), Scenario Exercise – Civil & Criminal Cases & lessons learned.

- COG & AD Session = 20<sup>th</sup> March 2012.
- Group Manager Session = 23<sup>rd</sup> March 2012.

**5. Corporate Health & Safety Risk Assessment Process**

Meetings completed with all Group Managers to support them in completing and submitting a review of their individual prioritized risk register and associated training needs for their service area.

- Corporate Risk Register completed
- Corporate Health & Safety inspections continue to be carried out across all 16 service groups.

**6. Health & Safety Coordinator Roles & Responsibilities & Self Audit**

Safety Coordinator Roles & Responsibility Guide documented and issued.  
Safety Coordinator Self Audit Programme implemented. Ongoing internal audits being carried out by Corporate Health & Safety Officer.

**7. Directorate Health & Safety DMT Review Meetings**

All three Corporate Directors now hold quarterly Health & Safety reviews as part of their DMT review meeting programme, with an agreed and consistent agenda being followed.

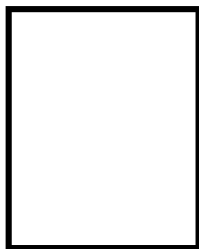
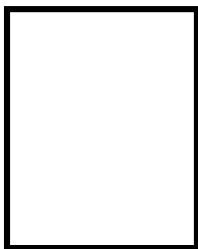
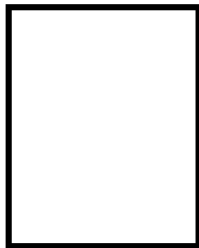
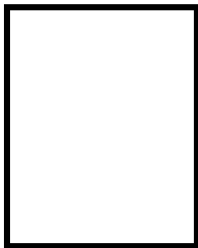
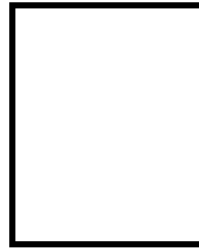
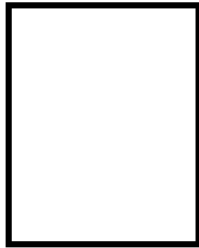
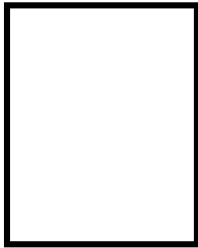
Corporate Health & Safety Officer attends each month to support and monitor all H&S agenda items and risk assessment.

## Annex A

**13. 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 Information relating to the financial or business affairs of any particular person (including the authority holding that information).



**DACORUM BOROUGH COUNCIL**

**AUDIT COMMITTEE MINUTES**

**8 FEBRUARY 2012**

**Present:**

**Members:**

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

<b>Officers:</b>	S Flynn	Assistant Director – Finance & Resources
	C Gordon	Group Manager – Performance, Policy & Projects
	S Marshall	Corporate Director – Finance & Governance
	L Miller	Corporate Director – Performance, Improvement & Transformation
	L Stone	Member Support Officer (Minutes)
	C Thorpe	Group Manager – Environmental Services
	J Worts	ICT Team Leader

<b>Internal Audit:</b>	M Clarkson	Deloitte
	A Robinson	Deloitte
	B Welch	Deloitte

**Audit Commission:** S Bladen

The meeting began at 7.30 pm

**1. CHAIRMAN**

In the absence of the Chairman, Councillor Douris, Councillor W Wyatt-Lowe, the Vice-Chairman would be the Chairman for this meeting.

**2. MINUTES AND ACTIONS**

The Minutes of the meeting held on 8 December 2011 were agreed by the Members present and then signed by the Chairman.

Actions from 8 December 2011:

- a) M Clarkson tabled a list of areas covered by Internal Audit in the last three years and areas which had not been covered. He explained that it only covered high level areas as there were over 1,500 statutory responsibilities. Members and officers discussed this and it was agreed that a more detailed breakdown should be brought to the next meeting as well as checking the areas which had not been audited. It was also stated that the Internal Audit work plan was set by Members.
- b) S Flynn explained that the terms of the contract with Aylesbury Vale District Council did not make provision for stating Dacorum Borough Council on Bank statements with regards to pay. S Flynn said they would keep this under review to see if it caused further problems.



- c) S Flynn confirmed that there were two payroll officers who processed expenses claims. In addition there were other officers in the Finance Department who were able to process payroll matters.
- d) With regard to the timescales for recommendations from final reports being included in the follow up reports, S Flynn advised that this had been discussed with Internal Audit as part of the new contract starting from 1 June 2012.
- e) S Flynn said that the required level of detail in the management response to recommendations in final reports had not been publicised. He would, however, return the response to the manager where insufficient detail was provided.
- f) S Flynn said he had sought clarification from the Estates Officer regarding the technical procedure notes and that this would be covered in the follow up report.
- g) In relation to the completion of the audit cycle within Risk Management, S Flynn said at the last Risk Management meeting, it had been agreed that the next stage was the relationship between the Audit findings and the Annual Governance statement of actions from the Assistant Directors. This would close the loop.
- h) With regard to the previous follow up report on timesheet approval, C Thorpe explained that he had not been involved in the contract, although his service was the biggest user of agency staff. He explained that if timesheet authorisation was not given to Comensura by 4pm on a Monday, Comensura would self authorise them. This had proved to be a problem on Bank Holidays and was difficult to rectify retrospectively. There had been two occasions over the last year where it had been incorrect. C Thorpe said he had raised the problem with HR.
- i) C Thorpe said that the Comensura contract had expired on 31 December 2011, but nothing had been put in place, so a six month extension had been agreed. Alongside that, there would now also be a tendering exercise for an agency staff contract just for waste services. C Thorpe was working with HR officers on the specification needed in the contract. This was needed as Comensura were not able to provide the level of service needed by the service, for example, with providing staff early in the morning.

Councillor W Wyatt-Lowe asked if C Thorpe was happy with the new contract specification. C Thorpe said he was happy with the specification for waste services and added that he did not agree with auto approval of timesheets.

Councillor Marshall asked why a contract had not been put in place before the end of the previous contract at the end of 2011. L Miller said she would speak to the Assistant Director and provide a written response to the Committee.

Councillor Townsend said there had been a previous recommendation from the follow up report. C Thorpe said that recommendation had been for HR and was no longer relevant with the separate contract for waste services.

Councillor W Wyatt-Lowe thanked C Thorpe for attending the meeting.

- j) B Welch said that with regard to checking if the Health and Safety priority 1 recommendations had been fully implemented, this was covered in the follow up report.

- k) In relation to the OSC Chairs/Vice-Chairs meeting, L Stone said that following the meeting, Councillor Douris said that he had met separately with the Chief Executive to go through the issues relating to the Bennetts End Adventure Playground theft.

**Actions:**

- M Clarkson to provide a more detailed breakdown of the areas covered and not covered by Internal Audit over the last three years.
- L Miller to provide a written response to the Committee on why a new agency staff contract had not been put in place before the end of the previous contract.

**3. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Douris and Elliot. Councillor Marshall substituted for Councillor Douris.

Apologies were also received from Mark Hodgson from the Audit Commission.

**4. DECLARATIONS OF INTEREST**

None.

**5. PUBLIC PARTICIPATION**

None.

**6. FOLLOW UP REPORT ON BENNETTS END ADVENTURE PLAYGROUND THEFT**

Councillor W Wyatt-Lowe said Councillor Douris had submitted a letter following his meeting with Daniel Zammit.

Any questions on this topic, would be asked within the subsequent item on Information Security.

**Resolved:**

Report was noted.

**Actions:**

None.

**7. ANNUAL AUDIT LETTER**

S Bladen introduced the Annual Audit Letter. S. Bladen noted that this summarised the work undertaken in 2010/11. He said that most of the messages in the letter had already been reported in the Annual Governance Report presented to this Committee in September 2011. The new sections were those on the current and future challenges facing the Council. S Bladen added that the Council had prepared well for the changes in the accounting regime. The Audit Commission's fee was set out in the report and S Bladen highlighted that it was the first year in which an additional fee had not been required and that this again reflected well on the Council.

Councillor Tiley sought clarification that the fee was a standard fee and not higher as in previous years due to the Council being assessed as high risk. S Bladen confirmed that the fee was the standard fee would be set in 2011/12.

Councillor W Wyatt-Lowe asked if the certification of the Council's 2010/11 grant claims had been completed on time. S Bladen said that he had certified the final claim for Housing and Council Tax Benefits in December. This had been a week late but the Department for Work and Pension had given an extension to the deadline. He added that a report on grant claims would come to the next Committee.

Councillor W Wyatt-Lowe asked what impact the Welfare Reform would have on the Council. S Bladen said it was too early to tell.

**Resolved:**

Report was noted.

**Actions:**

None.

## **8. 2011/12 INTERNAL AUDIT PROGRESS REPORT**

B Welch outlined the progress report. He highlighted the second appendix summarising the progress of the Corporate Anti-Fraud Team.

Councillor Doole asked if information on the number of priority 1, 2 and 3 recommendations there were on an annual basis could be provided. S Marshall said this was summarised on the Annual Governance report.

S Marshall said that the 15 days listed for work on Commissioning in February would be postponed and the initial plan was to replace it by work on preparation for the introduction of HRA Self Financing and Complaints Handling. S Marshall said Members could let her know if they had any comments on that as it would not be finalised until the end of the week.

**Resolved:**

Report was noted.

**Actions:**

None.

## **9. INTERNAL AUDIT REPORTS**

### 9.a Data Quality

Councillor Doole referred to RBF 02 (Average time taken to decide a change event for Housing and Council Tax benefit) and asked why it was not referred to in Recommendation 1. B Welch said it should have been included.

Councillor Doole asked about WR 01 (Total number of missed bins). B Welch said they could not test that so it was not included in Recommendation 1. The response in Recommendation 1 stated that a control was in place but the Internal Auditors had found that this control was not always being carried out. C Gordon added that data control sheets were now being put in place which should correct the problem.

Councillor Marshall said that with regard to PP 15 (% of tenants satisfied with level of repair), Recommendation 3 stated that there had been no data checking by Mitie. She said that the

Council had been checking tenant satisfaction for some time. C Gordon said all contractors signed up to data quality procedures.

Councillor W Wyatt-Lowe asked that all comments and data entered into CorVu be checked for spelling and grammar. C Gordon said he would ensure it was added into any communications on CorVu.

Councillor Taylor also stressed the importance of accurate data and proof reading. L Miller said that report writing courses for officers continued to be held.

**Resolved:**

Report was noted.

**Actions:**

- C Gordon to add the importance of data quality, spelling and grammar into communications to officers on CorVu.

9.b Housing Asset Management

Councillor Collins said that Housing Asset Management dealt with vast amounts of money. He said that a 1% mistake could be very costly. He asked if the Internal Auditors had defined key indicators for the service. B Welch explained that they checked the Council's project plan and ensured that the Council had controls in place. Councillor Tiley added that setting key performance indicators was not in Deloitte's remit. This was part of management's responsibility and the auditor's role extended only so far as ensuring that the data was accurately captured and that proper controls over it were in place.

S Marshall added that the role of the Internal Auditors was to ensure the Council applied and monitored targets rather than set them. She said the purpose of this work was to ensure the Council had adequate systems in place on Asset Management with regard to Self Financing. The project plan was put in place to ensure the Council would receive the best deal.

Councillor Taylor referred to the reporting system to senior management and sought reassurance that the system was now more robust. S Marshall said that individual project plans were the responsibility of the project sponsor to ensure that they were delivered on time. Top priorities and corporate projects were reported regularly to the Corporate Management Team meetings.

Councillor W Wyatt-Lowe asked if a signed contract was now in place for Savill's and the completion of the Stock Condition Survey. S Marshall said she would check this. Councillor Tiley said that there would also be a variation to the contract as Savill's had been assigned a different role.

**Resolved:**

Report was noted.

**Actions:**

- S Marshall to check whether a signed contract with Savill's was in place and on file.

9.c Accounts Payable

Councillor Collins asked if a figure had been calculated on how much it cost to raise a Purchase Order number. S Flynn said this was an ongoing issue, they first needed to establish where the problems arose at Group Manager level. They would then carry out a

benchmarking exercise and standardise the procedures followed. Previous work carried out indicated it cost anywhere between £1.50 and £6.

Councillor Collins asked if other payment terms were considered, for example, receiving a discount for early payment. S Marshall said the payment terms were usually covered in the contract but that they would consider that in future negotiation.

Councillor Doole asked if the recommendation for training was enough in Recommendation 1, Raising of Purchase Orders. S Flynn said that the term 'training' was used loosely and that officers recognised that a change of culture was needed as well as reconfiguring activities and protocols. He said external contractors would come to understand that if they raised an invoice without a Purchase Order number, it would not be paid.

Councillor Doole said the fault was not with the supplier and that some suppliers would add a late payment fee after a certain time.

Councillor W Wyatt-Lowe asked if officers had looked into E-commerce solutions especially with regard to lower transactional orders. C Gordon confirmed that they were and said that an electronic system was already in place with the stationery contract.

**Resolved:**

Report was noted.

**Actions:**

None.

9.d IT Business Continuity and Disaster Recovery

A Robinson presented the report. L Miller informed the Committee that the back up system was now up and running and secure.

Councillor Doole said that some management responses talked about evaluating rather than actions. M Clarkson said that the follow up report would ensure that the recommendations had been carried out. He said that they tested whether recommendations had been implemented rather than the management responses.

Councillor W Wyatt-Lowe asked if the disaster recovery system would be tested regularly and if there would be a delay in getting a test slot. L Miller said this would be carried out in the near future and that the IT back ups would be tested off site. L Miller said that Members would be informed when these tests had been carried out.

Councillor W Wyatt-Lowe asked if control procedures had been considered for various functions outside simple preservation and availability of data, for example, staff contracts, availability of adequate phones, reference documents, transport etc. A Robinson said the report specifically related to IT matters but that recommendation 5 did cover other aspects.

Councillor Doole asked when business continuity in other areas of the organisation would be looked at. S Marshall said work had been completed recently on this and was done regularly.

**Resolved:**

Report was noted.

**Actions:**

None.

## **10. INTERNAL AUDIT FOLLOW UP RECOMMENDATIONS REPORT**

B Welch summarised the report and highlighted section 3, outstanding recommendations. He asked if Members would like an outstanding recommendation to be repeatedly reported to the Committee.

Councillor Doole said all priority 1 recommendations not carried out should be reported. He added that the follow up of Health and Safety Systems recommendation was worrying. L Miller said engagement on Health and Safety issues within the organisation was difficult. She asked the Committee if they would like to invite Helen Price to a future meeting to look at how to make the issues more high profile. The Committee agreed she be invited to the April meeting.

S Marshall said that the phase two realignment within the Licensing department had been completed. The appointment of a team leader had been started and the interim team leader's post had been extended. S Marshall said she would provide a reason at the next meeting if this had still not been resolved.

Councillor Townsend said he would like to see an original date for each recommendation as well as the revised date. He also asked that the follow up report be moved forward in the agenda and for more detail to be provided.

### **Resolved:**

Report was noted.

### **Actions:**

- H Price to be invited to the April meeting to look at how to increase the profile of Health and Safety within the Council.
- S Marshall to provide a reason if the outstanding Licensing recommendation has not been completed by the next meeting.
- Internal Audit to provide the original date as well as the revised date on all follow up recommendations. More detail should also be included in the report.
- The Follow Up report to be moved to earlier in the agenda for future meetings.

## **11. WORK PROGRAMME**

### **Resolved:**

The following amendments were agreed:

- The meetings on 18 June, 16 July and 28 November 2012 would not be required.
- The meeting on 30 May would include an Annual Governance Statement from the Council.
- 28 June meeting would have a report from the Finance department on the Pre Audit Statement of Accounts.
- The meeting on 17 September 2012 be moved to 27 September 2012 and include the External Auditor's Annual Governance report, the Audited Statement of Accounts, the Council's Letter of Representation to the External Auditor.
- The Annual Audit Letter to be added to the meeting on 12 December 2012.

## **12. EXCLUSION OF PUBLIC**

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 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **13. INTERNAL AUDIT FINAL REPORT – INFORMATION SECURITY**

Full details can be found in the Part II minutes.

**Resolved:**

Report was noted.

The meeting ended at 10.00 pm

**APPENDIX B**

AUDIT COMMITTEE: Work Programme 2012-13

<b>MEETING DATE</b>	<b>DEADLINE TO MONITORING OFFICER</b>	<b>DEADLINE TO MEMBER SUPPORT</b>	<b>ITEMS:</b>	<b>WHO RESPONSIBLE</b>
<b>30 May 2012</b>	16 May 2012	18 May 2012	Annual Governance Report	DBC
			Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
<b>28 June 2012</b>	14 June 2012	18 June 2012	Pre-Audit Statement of Accounts	DBC
			Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
<b>27 September 2012</b>	13 September 2012	17 September 2012	Annual Governance report, the Audited Statement of Accounts	Audit Commission
			Council's Letter of Representation to the External Auditor	DBC
			Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
<b>12 December 2012</b>	28 November 2012	30 November 2012	Annual Audit Letter	Audit Commission
			Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit



<b>6 February 2013</b>	23 January 2013	25 January 2013	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
<b>24 April 2013</b>	10 April 2013	12 April 2013	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit