



**AUDIT COMMITTEE**

**WEDNESDAY 30 MAY 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  
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](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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**1. MINUTES AND ACTIONS**

To confirm the minutes of the meeting held on 25 April 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>30 May 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>INFORMATION SECURITY UPDATE REPORT</b>
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**

In addition to the audit report and derived project plan, I would like to highlight the following areas addressed as part of the wider information security remit.

## **Policy, Procedures and Guidance**

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 will be applied to make it easier to distinguish strategy, policy, procedures, forms and guidance notes.

A stronger security incident reporting procedure has been produced with the relevant prefix DBC999.

The strategy, policy, procedures and guidance notes – will all be place (once approved) 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.

## **Training**

I will be running training courses, on all aspects of the information management and security areas including;

- Data Protection Act 1998
- Freedom of Information Act 2000
- Information Security

Courses are scheduled throughout the year, and if any Councillors wish to attend – please contact member support. I would be happy to provide updates or training if required at member development sessions.

## **Encrypted USB Sticks**

115 Council Staff, have been issued with encrypted USB sticks for various aspects of Council business i.e. Emergency Planning, Business Critical and home working.

From the end of November 2012, the encrypted USB sticks will be the only devices recognised on the DBC network.

It would be prudent that any Councillors required a USB stick for Council business, that may contain personal data, be issued with an encrypted USB stick for this purpose.

I will seek advice from member support on the best approach to this.

## **Herts Forum**

Best Practice, dictates that memberships of security forums are advisable, and I attend the Herts Information Security Group – derived from Hertslink ICT. Useful best practice, joint procurement opportunities, policy and guidance are shared at these monthly meetings.

## INFORMATION SECURITY ACTION PLAN

### Recommendation 1: Remote Access Controls (Priority 1)

A review of remote access security controls should be performed with a view to implementing additional security controls for access connections into the Council's network, for example:

- Implementing two-factor authentication controls for remote access to enhance security;
- A policy and process should be established to help ensure that all devices connecting to the Council's network have up to date Anti-Virus and Spyware software in place and that this is regularly updated;
- All PCs accessing remotely should have up to date security patches in place; and
- Restrictions should be established to help ensure that all users are not permitted to download Council data onto PCs unsupported and not owned by the Council.

### Management response

**Agreed.** A policy and process review using best practice on all ICT security practices and policies will be completed by the end of March. Role out of new procedures will also take place to ensure that procedures meet the policy will take place by the end of May.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
1	<b>Remote Access Controls</b>	<b>Thu 31/05/12</b>			
	Implementing 2 factor authentication	Fri 30/03/12	<b>31/07/2012</b>	ICT	Cryptocard (two factor) has now been deployed, and a decision needs to be made on whether to adopt the AVDC model (Citrix Authentication gateway). I have recommended that two factor still be deployed regardless of authentication model adopted.

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
	Policy developed for updating anti virus software	Wed 29/02/12	<b>31/05/2012</b>	Information Security Manager	Revised Policy to be contained within overarching technical security policy
	process for deployment of anti virus software developed and implemented	Mon 12/03/12	<b>Complete</b>	Information Security Manager	All endpoint devices now have, Microsoft Forefront Deployed
	SSCM application implemented	Thu 31/05/12	<b>Complete</b>	ICT	Microsoft SCCM version 2012 has now been implemented. Information Security Manager, now able to run reports on hardware, software and other asset configurations
	all PC's accessing remotely to have patches	Thu 31/05/12	<b>30/06/2012</b>	ICT, Information Security Manager	APG PC's have been audited, and an extension of this audit will be required to encompass PC's at other remote sites, i.e. Housing Wardens

**Recommendation 2: Review of Access to Drives, Directories and Folders**

**(Priority 2)**

Access to network drives, directories and folders should be reviewed and where this is deemed not necessary or required for users' day to day operations, the access should be removed. Where access is required to other departmental shared drives, directories or folders, the reasons for its access should be provided and approved by the information owner of the relevant Department before the access is approved.

Furthermore, a process should be introduced to periodically review the access granted/available to ensure that it is still valid and required for the purpose required.

## Management response

**Agreed.** Procedures for access to drives and access monitoring will be drawn up to ensure the information owner agrees to access being given before access is granted to individuals End of February 2012 completion.

A review of the use of current drives and access to them will take place with changes to access being made subject to the approval by managers. End of June 2012 completion.

## Actions Taken/Planned

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>2</b>	<b>Review of Access Drives, Directories and folders</b>	<b>Fri 29/06/12</b>			
	Develop procedures for access to drives	Wed 29/02/12	<b>31/05/2012</b>	Information Security Manager	Refined through joiners and leavers process
	Ascertain the drive/data owner at Group Manager level for each drive	Wed 29/02/12	<b>31/05/2012</b>	Information Security Manager, ICT	Currently waiting on ICT to install reporting software
	Review current access rights included is a refresh of access rights to each drive	Fri 29/06/12		Information Security Manager	See above

## Recommendation 3: Laptop Management (Priority 1)

An exercise should be undertaken to identify all Council owned laptops and once identified, an inventory record should be created recording all laptop details. The database should include configuration details such as the make and model of the laptop, version of the software, who it is assigned to and the details of the asset numbering.



Once this exercise has been undertaken, the laptops should be reviewed to ensure that they meet the Council's current security requirements and have hard drive encryption, an up to date and patched operating system and up to date anti-virus software. If the reviewed laptops do not meet the expected standard, they should either be upgraded to the required specification or removed from use.

Additionally, we recommend that all new laptops issued are accompanied by relevant guidance to users such as, the Council's policy on the use and security of laptops.

We further recommend that an annual audit of the Council's hardware assets is undertaken.

### Management response

**Agreed.** An annual review of Council equipment is conducted the last being April 2011. The next review will be over March / April 2012. The inventory will be extended this year to include Software and security running on all laptops and other ICT equipment.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
<b>3</b>	<b>Laptop Management</b>	<b>Mon 30/04/12</b>			
	Conduct annual review of Council IT equipment	Mon 30/04/12	<b>Complete</b>	ICT Department, Information Security Manager	Will perform quarterly updates using Microsoft SCCM

### Recommendation 4: Security of Mobile Phones (Priority 1)

The Council should consider a stronger and robust policy on the issue and use of mobile phones with the need for adequate security to prevent unauthorised access to information (email and data) in the event that the phone is mislaid or stolen.

### Management response

**Agreed.** All phones are password protected ICT completed this work in the autumn 2011. A further review of phone security will be conducted at the same time as the policy review (March 2012). Best practice will be used to ensure that the policy is up to date. Any new processes will then be implemented.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
4	<b>Security of Mobile Phones</b>	<b>Fri 30/03/12</b>			
	Review the policy of mobile phones to include security standards	Fri 30/03/12	<b>End of April - Policy, End of June Encryption</b>	Information Security Manager, ICT	Phones now have PIN access for emails. Mobile Phone Policy contained within overarching information technology security policy

### Recommendation 5: Password Controls (Priority 2)

Management should enhance the current password policies for the Corporate Network and for recommended practice within all Council applications. This should require a minimum password length of eight characters to be enforced and restrict the history of previous passwords that can be used to thirteen.

### Management response

**Agreed.** To be implemented immediately

**Recommendation 6: Formal user administration and leavers process (Priority 2)**

ICT should develop a formal user administration procedure detailing the procedures and processes to be followed for the administration of user accounts. Additionally, a formal process should be introduced for a periodic review of user accounts. In addition, accounts that have not recorded any activity for 90 days should be disabled and any over 180 days should be deleted unless a valid reason has been provided for the account to remain active.

**Management response**

**Agreed.** To be implemented as part of the policy review in March 2012.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>6</b>	<b>Formal users and administration and leavers process</b>	<b>Fri 30/03/12</b>			
	Process of administration for leavers and users updated	Fri 30/03/12	<b>31/05/2012</b>	Information Security Manager	Joiners and Leavers process refined to include more ICT specific requirements

**Recommendation 7: Audit Policy Settings and Logging(Priority 2)**

The audit policy settings on the Windows network domain should be enhanced by applying the following suggested settings. These events should be reviewed as part of the audit log review process.

<b>Policy Items</b>	<b>Audited Events</b>
Account Management	Success, Failure
Directory Service Access	Success, Failure
Object Access	Success, Failure
Policy Change	Success, Failure
Privilege Use	Success, Failure
Process Tracking	Log failures of process events only
System Events	Success, Failure

Enabling some of these logs may have performance implications on the network and therefore the impact of all changes should be monitored to ensure that they do not have a detrimental effect to the required level of system performance.

### Management response

**Agreed.** Following the evaluation of the effect these logs may have on the performance and the value of the log to GCSx compliance will be made before being implemented. End of July 2012 completion.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
7	<b>Audit Policy Setting and Logging</b>	<b>Tue 31/07/12</b>			
	Develop audit logging for the drives in the notes	Fri 29/06/12	<b>30/06/2012</b>	ICT, Information Security Manager	Currently seeking to bring supplier in on site for training on product. Logging is done by Windows event viewer.
	Develop a escalation process for anomalies on the reports	Tue 31/07/12	<b>31/07/2012</b>	Information Security Manager	Will form part of new Incident reporting procedures.

### Recommendation 8: Accounts with Non Expiry Passwords (Priority 2)

A review should be carried out of all accounts whose passwords never expire and controls for these passwords changed to ensure that they are required to change their password in line with best practice.

Should there be an exception where its implementation may affect the operation of the service, this should be documented and its exception authorised by senior management.

### Management response

**Agreed.** A policy on exceptions to passwords will be developed. Some exceptions maybe needed for non-expiry accounts in order to run day to day IT operations. For exceptions a business case will need to be signed off by an Assistant Director. Implementation will be with immediate effect.

### Recommendation 9: Use of USBs (Memory Sticks) (Priority 2)

The use of USBs (memory sticks) should be restricted by locking down (configuring) the PCs to only permit approved devices. Where there is a requirement for their use, only Council supplied encrypted devices should be used. Furthermore, we recommend that guidance is issued on the appropriate use of USB devices such as when they should be used and the type of data that may be loaded onto the device.

### Management response

**Agreed.** Corporately enforce the use of encrypted USB sticks of which authorisation will be performed at the Group Manager level. In addition we will prevent access to unauthorised devices. Completion July 2012

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
9	Use of USBs	Tue 31/07/12			
	USB amnesty to transfer to an approved USB.	Mon 30/04/12	Complete	ICT, Information Security Manager	All bar two staff on a list of 115 have now been issued with encrypted USB sticks.
	Locking down PC's to only use encrypted USBs	Tue 31/07/12	30/11/2012	ICT	Slipped due to ICT constraints

**Recommendation 10: Hardware Disposal Procedures (Priority 2)**

We recommend that a formal hardware disposal procedure is developed indicating the acceptable process for hardware disposal. Following agreement, this should be followed for the disposal of all Council equipment.

**Management response**

**Agreed.** Asset Disposal policy will be reviewed and changes implemented. Completion March 2012

**Recommendation 11: Legal Banner (Priority 3)**

We recommend that the Council's Legal Banner on accessing the Council network should be reviewed and updated to include the likely remedial action that could be taken in the event of non compliance with the relevant policies for usage within ICT.

Guidance should be sought from the Council's legal officer for a suitable statement for inclusion.

**Management response**

**Agreed.** Review the wording in the login banner against best practice will be completed and implemented. End of February 2012 for completion.

**Recommendation 12: Records and Information Management (Priority 1)**

We recommend that, as a minimum:

- The current Records and Information Management Policy is reviewed to ensure that it meets with the Council current requirements and usage of data;
- A periodic review is conducted to ensure that users and departments are complying with the policy, for example, on records and data management, retention and destruction;
- An exercise should be conducted to review and remove records that are no longer necessary (in compliance with the DPA) but keeping in mind any regulatory and legal requirements for retention; and
- A documented records disposal procedure should be developed which is available and distributed throughout the Council.

### Management response

**Agreed.** Review of current policy and using of best practice. End of March 2012 completion date.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
12	<b>Records and Information Management</b>	<b>Fri 30/03/12</b>			
	Update to the policy new one in place	Fri 30/03/12	<b>31/05/2012</b>	Information Security Manager	Still need to revise current policy

### Recommendation 13: Data Sharing Protocols (Priority 1)

The Council should review its current approach to information sharing with other government agencies, third parties and private providers. This should ensure that:

- A review is carried out of the data sharing protocols document that is currently in place to ensure it is updated and reflects the requirements of sharing with third party organisations;
- All Departments should be required to formally identify who they share personal data with, the frequency and the form of information that is shared; and
- All users and departments should be advised of the revised protocols and to ensure that they are followed.

### Management response

**Agreed.** Review the Data Sharing protocol documentation and make amendments to the protocol. End of May 2012 completion.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
13	<b>Data Sharing Protocols</b>	<b>Thu 31/05/12</b>			
	Review Data sharing protocols around the organisation	Mon 30/04/12	<b>30/06/2012</b>	Information Security Manager	Information Sharing Protocols will be assessed, and amendments made where necessary.
	Implement new protocols	Thu 31/05/12	<b>30/06/2012</b>	Information Security Manager	

### Recommendation 14: IT Policies (Priority 2)

We recommend that a review of all the IT policies is conducted with a view to consolidating and creating an overarching Information Security Policy. Where appropriate, the Council should consider aligning its security arrangements with the guidance provided by ISO27001 the International Standard for Information Security.

Once revised and consolidated, the policy should be approved by senior management of the Council or the IT Governance Board or equivalent.

### Management response

**Agreed.** Develop an overarching policy document for ICT in alignment ISO 27001. Competition March 2012.

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
14	<b>IT Policies</b>	<b>Fri 30/03/12</b>			
	Review ICT policies	Wed 29/02/12	<b>Complete</b>	Information Security Manager	
	Implement one global policy for ICT using Best Practice	Fri 30/03/12	<b>Complete</b>	Information Security Manager	To be approved by CMT / Leader for end of May , early June.



**Recommendation 15: Security Officer Responsibility (Priority 2)**

We recommend that the Role and Responsibility of an Information Security Officer and a SIRO (Senior Information Risk Officer) is formally assigned and the officer appointed is provided with appropriate guidance relating the requirements of the role.

**Management response**

**Agreed.** Information Security Role will be defined with in ICT but with links to the Legal Service. Implemented immediately.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>15</b>	<b>Security officer Responsibility</b>	<b>Wed 29/02/12</b>			
	Development of Terms of Reference for Governance Group	Tue 21/02/12	<b>Complete</b>	Information Security Manager	
	Development of the SIRO	Wed 29/02/12	<b>Complete</b>	Information Security Manager	

**Recommendation 16: Information Owner and Classification (Priority 2)**

We recommend that as part of records and Information Management Policy:

- Ownership of Information should be identified;
- Data and Information classification should be performed; and
- The Council should consider allocating the role of Records Manager to provide guidance on how records within the Authority should be maintained.

### Management response

**Agreed.** A mini audit of the information asset owners will be undertaken. Following this classification of the data and information will be implemented. Completion by the end of December 2012

### Actions Taken/Planned

Audit X-Ref	Task Name	Finish	Revised TT	Resource Names	Progress 14/05/2012
16	<b>Information owner and Classification</b>	<b>Fri 29/03/13</b>			
	Audit of information asset owners	Fri 28/09/12		Information Security Manager	
	Implementation of classification of the data and information	Mon 31/12/12		Information Security Manager	
	Review of document records management	Fri 29/03/13		Information Security Manager	

### Recommendation 17: Security of Laptops

(Priority 3)

The Council should consider the issue of cable locks to secure laptops and introduce a policy requiring users to use these when working on any off site location where there are no additional restrictions on entering office locations.

### Management response

**Agreed.** Locks for PC's and laptops at remote sites has started and the role out is due to commence in January 2012.

**Recommendation 18: Use of Emails – Monitoring****(Priority 3)**

We recommend that periodic email monitoring and compliance checks are performed on the use of the Council's email systems to identify any instances of potential excessive usage during core working hours, this information should be routinely provided to management for information purposes.

**Management response**

**Agreed.** When this is requested by a senior manager for the team they manage then we will conduct a review.

**Recommendation 19: File and Database Protection****(Priority 2)**

The Council should review the files and folders to certain private and confidential documents stored on remote site PCs and apply protection with the help of IT Services to restrict access to the databases to authorised officers only by use of passwords.

**Management response**

**Agreed.** This is part of the encryption and lock down work that is being undertaken currently. Completion for this work is March 2012.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>19</b>	<b>File and Database protection</b>	<b>Fri 30/03/12</b>			
	Reviewing data bases and data kept off Civic Site	Wed 22/02/12	<b>Complete</b>	ICT	All APG databases and PC's have now been locked down, and access is only via a secure tunnel
	Lock down to meet ICT policy	Fri 30/03/12	<b>Complete</b>	ICT	All APG databases and PC's have now been locked down, and access is only via a secure tunnel

**Recommendation 20: Archiving of Records****(Priority 2)**

The Council should review the existing process for storing Council records and especially for Children’s data where appropriate documents should be destroyed securely when no longer in use and consideration should be given to scanning documentation to avoid physical copies of data being retained.

**Management response**

**Agreed.** Reviewing current policies and ensuring that staff at remote sites are re-trained with regards to procedures on safe data handling.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>20</b>	<b>Archiving of Records</b>	<b>Fri 06/04/12</b>			
	Spot checks develop risk register of sites	Wed 29/02/12	<b>Complete</b>	John Worts, Noele Pope	Output report for APG produced
	Recommendations implemented from spot Checks	Fri 06/04/12	<b>Complete</b>	ICT, Information Security Manager	Follow up report distributed for managers to digest / implement. Follow up site visits to be arranged for June

**Recommendation 21: Recycle Bin on PCs****(Priority 3)**

ICT should provide guidance to staff on how and how often to empty the local PC ‘Recycle Bin’ to avoid data being retained on Council PCs.

**Management response**

**Agreed.** Develop a procedure note to go to all staff on the use of recycle bins and how to delete items from the PC. Completion of this will be the end of February 2012.

**Recommendation 22: Data Protection Training (Priority 2)**

We recommend that the Council should review the approach used to train Council staff on Data Protection and safeguarding of data to ensure that those users who may process sensitive information are appropriately trained on how to handle personal data. Training and awareness processes should be documented to identify the procedures in place.

**Management response**

**Agreed.** The training package has been updated to reflect classification and marking. Completed.

**Recommendation 23: Confidentiality and Data Protection Statement (Priority 2)**

The Council should perform a review of all data collection forms used to obtain personal information to ensure that these contain a consistent Fair Processing notice. This should be applied to all forms and be approved by Legal Services.

**Management response**

**Agreed.** Data collection forms that are used will be obtained from all Group Managers and appropriate fair processing notices will be drafted by Legal Services and returned to Group Managers for inclusion in the forms.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>23</b>	<b>Confidentiality and Data Protection Statement</b>	<b>Fri 29/06/12</b>			
	Data collections forms to be reviewed	Tue 01/05/12	<b>On Track</b>	Barbara Lisgarten	Barbara currently reviewing all forms
	Implement changes	Fri 29/06/12	<b>On Track</b>	Barbara Lisgarten	Barbara currently reviewing all forms

**Recommendation 24: Generic use of Email Account (Priority 2)**

All users at the Woodwell cemetery should be assigned with personal email accounts for conducting internal Council business, where a generic account is required this should be identified and users should be accountable for use of the generic account.

**Management response**

**Agreed.** This will be implemented by the end of February 2012.

**Actions Taken/Planned**

<b>Audit X-Ref</b>	<b>Task Name</b>	<b>Finish</b>	<b>Revised TT</b>	<b>Resource Names</b>	<b>Progress 14/05/2012</b>
<b>24</b>	<b>Email Accounts</b>	<b>Wed 29/02/12</b>			
	Review of email generic accounts	Wed 29/02/12	<b>Complete</b>	ICT, Information Security Manager	A list of all email accounts has been produced and handed over to ICT

## AGENDA ITEM: 6

### SUMMARY

<b>Report for:</b>	<b>Audit Committee</b>
<b>Date of meeting:</b>	<b>30 May 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>ANNUAL GOVERNANCE STATEMENT</b>
Contact:	Cllr A Williams, Leader of the Council Cllr N Tiley Portfolio Holder for Finance & Governance D Zammit, Chief Executive S Marshall, Corporate Director (Finance & Governance) S Baker, Assistant Director (Legal, Democratic & Regulatory) S Flynn, Assistant Director (Finance & Resources)
Purpose of report:	To inform the Audit Committee of the draft Annual Governance Statement 2011/12 and to seek comments for amendments or inclusions prior to the completion of a final draft.
Recommendations	That the Statement is received and that the Audit Committee provides comments on the draft for inclusion.
Corporate objectives:	Dacorum Delivers: value for money; performance excellence; reputation and profile delivery. The Annual Governance Statement provides public assurance that the Council has appropriate and effective arrangements governing the conduct of its business, and that systems of internal control are operating effectively and support continuous improvement and value for money.
Risk Implications	Maintaining appropriate and effective governance arrangements helps to ensure that the Council makes effective decisions based on appropriate information and that there is a due process to ensure that those decisions are properly implemented. Failure to maintain effective governance also exposes the Council to increased risk of financial management and fraud.
Implications:	<u>Financial</u>  None from this report.
'Value For Money Implications'	<u>Value for Money</u>  None from this report

Consultees	None
Background papers	Annual Governance Statement 2010/11 Annual Audit Letter 2010/11



## **ANNUAL GOVERNANCE STATEMENT 2011/12**

### **Introduction**

Dacorum Borough Council is committed to ensuring that good governance principles and management practices are adopted. This Annual Governance Statement has been produced in accordance with the CIPFA/SOLACE<sup>1</sup> framework “Delivering Good Governance in Local Government” (2007) and meets the statutory requirement set out in Regulation 4(3) of the Accounts and Audit Regulations 2011, which requires authorities to prepare the statement in accordance with proper practices. ,.

The statement is an open and honest self-assessment of the Council’s performance across all of its activities and contains a statement of the actions being taken or required in the future to address areas of concern. It is inevitable that, during a rigorous review of the Council’s operations, issues will be identified to be addressed and a key element of good governance is to ensure that there is a clear action plan for addressing these issues.

The governance statement covers all significant corporate systems, processes and controls, spanning the whole range of the Council’s activities. The statement includes details of how the Council:

- implements its policies;
- delivers high quality services efficiently and effectively;
- meets its values and ethical standards;
- complies with laws and regulations;
- adheres to required processes;
- ensures financial statements and other published performance information are accurate and reliable;
- manages human, financial, environmental and other resources efficiently and effectively.

The self-assessment contained within this statement has been undertaken taking account of assurance statements provided by managers from across the organisation together with regular reviews of risk management. It has also taken account of Internal Audit reports. In preparing this statement, account has been taken of both the statutory codes and the ethical governance tool-kit produced by the IDEA<sup>2</sup> and the CIPFA Financial Advisory Network.

### **The importance of Governance**

Good governance leads to good management, good performance, good stewardship of public money, good public involvement and, ultimately, good results for residents and other service users. Good governance enables the Council to pursue its “Vision” effectively as well as underpinning that “Vision” with mechanisms for control and management of risk.

Whatever our successes in the past, we can make no assumptions about the future. In a fast-changing world the maintenance of high standards of good governance requires constant vigilance.

Good governance means:

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<sup>1</sup> CIPFA – Chartered Institute of Public Finance and Accountancy  
SOLACE – Society of Local Authority Chief Executives and Senior Managers  
<sup>2</sup> IDEA - Improvement and Development Agency

- focusing on the purpose of the authority and results for the community and creating and implementing a vision for the local area;
- members and officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting the values of the Council and upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny, and managing risk;
- developing the capacity and capability of members and officers to be effective;
- involving local people and other stakeholders to ensure strong public accountability.

### **Scope of responsibility**

Dacorum Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs including the management of risk.

Whilst the Cabinet and senior management are responsible for delivering the Council's services and activities within these arrangements, the Audit Committee is responsible for reviewing the effectiveness of these arrangements on behalf of the Council. The Committee is also responsible for making any recommendation necessary as a result of its review or of any issue it identifies as a result of reports from external agencies such as the Audit Commission or the Local Government Ombudsman.

### **Purpose of the Governance Framework**

The governance framework comprises the systems and processes and culture and values by which the authority is directed and controlled and through which it accounts to, involves and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a key element of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies and objectives. It evaluates the likelihood of those risks coming to fruition and their impact should they do so and identifies ways to manage them efficiently, effectively and economically.

The governance framework has been in place throughout the financial year which ended on 31 March 2012 and continues to be in place up to the date of the approval of the statement of accounts.

In drawing together this Statement the Governance Framework has been examined by reviewing the Council's arrangements for the following issues:

- The arrangements for identifying and communicating Dacorum Borough Council's vision and intended outcomes
- Reviewing the "Vision" and its implications for governance arrangements
- Measuring the quality of services for users, ensuring that they are delivered in accordance with our objectives and represent best value for money
- Defining and documenting the roles and responsibilities of members and officers
- Developing, communicating and embedding codes of conduct and defining standards of behaviour for members and staff
- Reviewing and updating the Constitution, Financial Regulations, Scheme of Delegation and Contract procedure Rules which clearly define how decisions are taken and the processes and controls to manage risks
- Undertaking the core functions of an Audit Committee
- Ensuring that laws and regulations and internal policies and procedures are complied with and that expenditure is lawful
- Whistle-blowing and investigating complaints from the public
- Identifying the development needs of Members and Senior Officers and providing appropriate training
- Establishing clear channels of communication with all sections of the community and stakeholders and encouraging open consultation
- Incorporating good governance arrangements in respect of Partnerships

## **The Governance Framework**

### **The arrangements for identifying and communicating Dacorum Borough Council's vision and intended outcomes.**

The Council has worked with its partners in the Dacorum Local Strategic Partnership (LSP) to develop the Community Strategy "Towards 2021 – the Dacorum Sustainable Community Strategy". This provides long-term ambitions for the Borough through to 2021.

Within this context, during 2010/11 the Council reviewed its overall vision and priorities for its local communities. The Council's aims are captured within its Corporate Plan which sets out local community priorities. The six priorities that were included in the 2010/14 Corporate Plan were:

- Our Community
- Our Environment
- Resources & Value for Money
- Economic Development and Regeneration
- Affordable Housing
- Our Profile & Reputation

These priorities promoted the Council's "Vision" and determined improvement plans that were set at the beginning of the financial year. In October 2010 a new vision was set of Dacorum:

"Working in partnership to create a Borough which enables the communities of Dacorum to thrive and prosper" through the delivery of five priorities:

- Building Community Capacity
- Safe and Clean Environment
- Affordable Housing
- Regeneration
- Dacorum Delivers.

To help engage communities in setting and achieving this vision and priorities, Dacorum Borough Council is committed to reviewing and improving services to make sure it is providing the services needed by local people. The comments we receive from the Citizens Panel are valued and used as part of this process. The Panel consists of over one thousand Dacorum residents and is representative of the profile of the Borough in terms of gender, age, ethnic origin and geographical location. Panel members are asked to complete surveys during the year on a variety of topics.

The Council has also taken steps to improve communications with service users through the website to improve accessibility, the corporate complaints procedure, 'GovMetric' to obtain customer satisfaction information and the use of social media such as facebook and Twitter.

To support the overall vision and aims, the Council has continued to review its Medium Term Financial Strategy and 5 year Capital Programme. Reviews were undertaken during 2011/12 and also as part of the budget preparation for 2012/13. With regard to the Capital Programme, this has included aligning resources to priorities through an appraisal and scoring of new schemes based on the Council's key priorities. Budget consultation has taken place with participants drawn from the Citizens Panel and facilitated by Opinion Research Services of the University of Wales and by use of the 'You Choose' consultation tool on the Council's website and other social media..

The Improving Dacorum Programme (IDP) is the framework employed by the Council to organise a large number of projects that are in place to deliver the Council's vision and priorities. Every IDP project is defined and resourced with named individuals responsible for project and programme delivery.

### **Reviewing the "Vision" and its implications for governance arrangements**

The Council's Corporate Plan is reviewed by Cabinet and then Council. The plan was last reviewed during 2009/10 to ensure that it was fit for purpose and is designed to cover the five-year period 2010-14. The updated plan was considered by Cabinet in September 2009 for referral to Council for approval. Council approved the updated plan which was published on the Council's website [www.dacorum.gov.uk](http://www.dacorum.gov.uk). In 2011/12 a supplementary version was developed to incorporate key priorities and projects following a review of member priorities post elections in May 2011.

Cabinet and the Corporate Management Team also review performance indicators. In October 2010 existing performance indicators were realigned to the new vision and proposed performance targets were identified when the Council considered the review of priorities. All objectives included in business plans were aligned to the vision and priorities and were reviewed corporately by CMT and all senior managers to test completeness and consistency. A corporate review of 2012/13 performance objectives was undertaken by Assistant Directors in March 2012

The "Improving Dacorum Programme" (IDP) forms part of the Council's governance framework. The IDP framework comprises the Performance Board and the IDP officer team who lead and advise on the project management discipline adopted by the Council which is used for key projects to bring about change and improvement. The IDP is also integral to the Dacorum Delivers.

The Performance Board sets the direction of the IDP. The Board has an advisory role and makes recommendation on the types of project and how they are to be resourced to the Cabinet or Portfolio Holder (as appropriate), so that the Board's recommendations can be carried forward into formal decisions. Projects that require capital expenditure are

considered in the first instance by the Capital Strategy Steering Group (CSSG). This is largely an officer group which also includes the Finance and Resources Portfolio Holder to represent Cabinet. The CSSG appraises the projects and makes recommendations to Cabinet for referral to Council (as required).

**Measuring the quality of services for users, ensuring that they are delivered in accordance with our objectives and represent best value for money**

The Council specifies service standards for those aspects of service delivery which are reflected in Service Plans. Satisfaction surveys are undertaken by key services following the provision of services.

In the preparation of their service plans, managers are required to consider a number of items including measuring the value for money provided by their service and to set out measures for improving it in the future.

Cabinet resolved on 31 March 2009 to refer the Value for Money Strategy and Policy to Council for approval. This was subsequently approved by Council on 22 April 2009. The Value for Money (VFM) Strategy and Policy sets out the Council's aims and objectives for VFM, the method of evaluating the effectiveness of approach together with an explanation of roles and responsibilities for both Members and officers. In 2010/11 this strategy was used to provide the framework for challenge to establish whether services provided represent best value for money. In September 2011 a draft revised VFM strategy was discussed by CMT and a final revised version is to be incorporated into future corporate plans.

In the External Auditor's Annual Audit Letter for 2010/11, reported to the Audit Committee on 8 February 2012, the Auditor reported that:-

"My overall conclusion is that the Council has adequate arrangements to secure, economy, efficiency and effectiveness in its use of resources.."

It also stated that:

"The Council has in place strong leadership and the capacity to deliver the scale of the spending reductions required of it. The Council uses suitable information on which to base decisions, and there is strong challenge on service delivery – for example, on a quarterly basis, Cabinet consider financial and operational performance against a range of key performance indicators linked to the Council's corporate priorities."

The District Auditor also stated that "I have not identified any significant weakness in the design or operation of an internal control". The Letter identified no weaknesses that the council was not already aware of.

The Council has implemented an electronic performance management system – Corvu, this has been used to manage a range of performance issues, including the transition from a system of national indicators to the use of locally developed indicators. Further uses have been developed including the reporting of risk assessment and risk management, project management of key projects and reporting progress against quarterly business milestones.

Project management has been strengthened through IDP. All projects are linked to the "Vision" and follow the corporate project management methodology. All are now reviewed through a monthly Performance Review meeting attended by the Leader, the Portfolio Holder for Service and Performance Improvement, the Chief Executive and the Corporate Director (Performance Improvement & Transformation) and Assistant Director (Strategy & Transformation, Community & Organisation).

## **Defining and documenting the roles and responsibilities of Members and officers.**

The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. During 2010/11 the Council approved new and comprehensive role descriptions for the Leader, Cabinet Members, Chairmen of the Overview and Scrutiny, Regulatory and Audit Committees, and Ward Councillor, and these have been included in the Council's Constitution. In November 2010 the Council adopted the new Leader and Cabinet Executive (England) model which came into effect at the Annual Meeting in May 2011.

The Council appoints the Mayor, Deputy Mayor and the Leader of the Council. The Leader appoints the Deputy Leader and the Cabinet Members and allocates to them responsibility for the various executive functions or "Portfolios".

Additionally, the Council appoints a number of Committees to discharge the Council's regulatory and scrutiny responsibilities. These responsibilities, together with the delegated responsibilities of officers, are set out in Part 3 of the Council's Constitution 'Responsibility for Functions'.

These have been communicated to both Members and officers through training and development sessions during the year, resulting in the "Member Charter" being retained. . All Committees and the various internal corporate officer groups supporting the Council's governance framework also have defined terms of reference. The officer groups include the Capital Strategy Steering Group, and four Corporate Working Groups. These were established in January 2012 to oversee strategic and operational management of the council's developing business and are: the Corporate Regeneration Working Group, the Environment Corporate Working Group, The Organisational Transformation Corporate Working Group and the Localism Corporate Working Group. .

The Audit Committee provides assurance to the Council on the effectiveness of the governance arrangements and internal control environment.

The Council's Chief Executive, as the Council's Head of Paid Service, has overall corporate policy management and operational responsibility and chairs the Corporate Management Team. Cross-organisational management groups were also created in 2011/12 for Assistant Directors and Group Managers to address cross-directorate operational issues.

All staff have clear conditions of employment and job descriptions which set out their roles and responsibilities. Job descriptions are reviewed as part of the annual performance appraisal.

A realignment of the senior management tier concluded in December 2010 and the Council implemented a new senior structure below the Chief Executive, comprising of three tiers as follows:

- Corporate Directors
- Assistant Directors
- Group Managers

The Corporate Director (Finance & Governance), as the Council's Section 151 Officer, has overall responsibility for the administration of the financial affairs of the Council, for keeping proper financial records and accounts and for maintaining an effective system of internal

financial control. The finance function provides support for, the budget preparation and financial monitoring process. The Corporate Director (Finance & Governance) is the lead officer for the Audit Committee. The Corporate Director (Finance & Governance) has nominated the Assistant Director (Finance & Resources) as the Deputy Section 151 Officer in her absence.

The Assistant Director (Legal, Democratic & Regulatory), as the Council's Monitoring Officer, has overall responsibility for legal compliance and has appointed the Group Manager (Legal Governance) as the Deputy Monitoring Officer. All Legal Services staff work closely with departments to advise on legal requirements. The Assistant Director (Legal, Democratic & Regulatory) is also the lead officer on Member and employee conduct and supports the Standards Committee and its Sub-Committees.

### **Developing, communicating and embedding codes of conduct and defining standards of behaviour for members and staff**

The Council has adopted a Code of Conduct for Members which includes the mandatory provisions of the revised statutory Model Code of Conduct.

All elected and co-opted Members sign a declaration of acceptance of office and an undertaking to observe the Code. The Council has also provided general training on the Code for Members and specific training on complaint handling for the members of the Standards Committee.

Part 5 of the Constitution contains the codes and protocols. The member code sets out 10 general principles: Selflessness; Honesty and Integrity; Objectivity; Accountability; Openness; Personal Judgement; Respect for Others; Duty to Uphold the Law; Stewardship and Leadership. Compliance with the Member's Code of Conduct is monitored by the Standards Committee.

- Part 5 of the Constitution also contains sections on:
- Interests
- Registration of Members' Interests
- Code of Conduct for Employees
- Protocol for Member/Officer relations
- Planning Code of Practice
- Whistle Blowing Policy

Training on the Employees' Code of Conduct as well as governance issues, has been provided during the year. The Employees' Code of Conduct is included within the officer Induction training programme.

### **Reviewing and Updating the Constitution, Financial Regulations, Scheme of Delegation and Procurement Standing Orders which clearly define how decisions are taken and the processes and controls to manage risks**

The Council's Constitution sets out how the Council operates and the processes for policy and decision making. Various amendments have been made to the Constitution and approved by Council during 2011/12 to enable the Constitution to remain fit for purpose.

During 2011/12 Financial Regulations were subject to full review and in September 2011 the Council adopted a revised set of regulations designed to simplify the regulations themselves, affirm responsibilities for financial management across the Council and to specify key financial thresholds. The draft regulations were reviewed by Finance & Resources Overview

and Scrutiny Committee and the Audit Committee before being presented to Cabinet for recommendation to Council.

The Council has overall responsibility for the approval of the financial and policy framework, namely: the Council's Budget, Medium Term Financial Strategy, the Corporate Plan, the Development Plan and other plans and strategies that have a borough-wide application.

The Cabinet is responsible for the discharge of most of the main functions of the authority that are not the responsibility of full Council. As such, the Cabinet is the main decision-making body of the Council and its decisions, whilst subject to scrutiny, are ultimately not capable of being overturned, other than through legal proceedings. The Cabinet also makes recommendations to Council for approval on financial and policy framework matters.

The decision making process is reviewed by a scrutiny function which has the power to call in decisions made, but which also undertakes some pre-decision scrutiny and some policy development work.

Authority to make day to day operational decisions is detailed in Part 3 of the Council's Constitution 'Responsibility for Functions'.

Procedures governing the Council's operations include Financial Regulations, Procurement Standing Orders and the Risk Management Strategy. Ensuring compliance with these procedures is the responsibility of managers across the Council. Internal Audit checks procedures are complied with as part of the Annual Audit Plan. In addition key corporate strategies provide the framework for key decisions: these include the Corporate Plan, Medium Term Financial Strategy, Capital Strategy and Asset Management Plan.

The Finance & Resources Overview and Scrutiny Committee oversees the effectiveness of the risk management arrangements.

The Procurement Governance Framework includes the Procurement Standing Orders, Procurement Strategy, Selling to the Council Guide, Small and Medium Entity Protocol and Terms of Reference for the Procurement Group.

The Council's Corporate Business Continuity Plan is in place. The Plan was tested during 2011/12 along with emergency planning and contact arrangements. The Council also has a number of service specific business continuity plans in place.

### **Undertaking the core functions of an Audit Committee.**

The Audit Committee has been established by the Council. When the Committee was established its terms of reference were prepared to ensure that it complies fully with the advice provided by CIPFA<sup>3</sup>. The key areas covered by the terms of reference of the Committee are Audit Activity, Regulatory Framework, Accounts and Ombudsman.

### **Ensuring that laws and regulations and internal policies and procedures are complied with and that expenditure is lawful.**

All reports going to Cabinet or Portfolio Holders are properly scrutinised for governance issues by the Statutory Officers. Reports to Council, Cabinet and Portfolio holders for

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<sup>3</sup> Audit Committee – Practical Guidance for Local Authorities published 2005.



Portfolio Holder decisions contain comments from the Monitoring Officer and the Section 151 Officer.

All Cabinet draft reports are made available for the Statutory Officers to review and comment upon prior to submission to Member Support for publication. Any legal or financial issues arising out of the draft reports are discussed with the report author and resolved prior to the report being issued to Member Support who then compile the agenda and publish the reports.

The Report Template requires the report author to consider and provide the following information:

- Whether the report is part I or part II (part II items contain confidential or exempt information from which the general public are excluded – when an item is classified as part II then a reason has to be provided)
- Purpose of the report
- Recommendations
- Link to Corporate Objectives
- Financial and Value For Money Implications
- Risk Implications
- Equalities Implications
- Health and Safety Implications
- Monitoring Officer Comments
- S151 Officer Comments
- Consultees
- Background papers

Statutory Officers, Directors and Assistant Directors provide further representations and assurances in the form of signed assurance statements, that sound systems of internal control and processes for managing risk have been implemented within the service areas for which they are responsible and that the Council's own internal controls have been complied with. Assurance statements have to be submitted to the Assistant Director (Legal, Democratic & Regulatory).

## **Compliance with the Regulation of Investigatory Powers Act (RIPA)**

The Council is required to monitor its use of covert surveillance under RIPA. The Assistant Director (Legal, Democratic & Regulatory) submits an annual statistical return to the Office of the Surveillance Commissioner on the use of covert surveillance.

In compliance with the revised Home Office Codes of Practice the Assistant Director (Legal, Democratic & Regulatory) has been designated as the Council's Responsible Officer with overall responsibility for ensuring that the Council complies with RIPA and with the Council's own policy and procedures on the use of covert surveillance. In 2011/12 the Assistant Director (Legal, Democratic & Regulatory) submitted quarterly monitoring reports to the Council's Scrutiny Committees and will submit an annual report to the Audit Committee in 2012/13 as part of the Council's overall governance arrangements.

## **Whistle-blowing and investigating complaints from the public.**

The Council takes fraud, corruption and maladministration very seriously and has the following policies that aim to prevent or deal with such occurrences

- Anti-Fraud Policy
- Whistle-blowing Policy
- Human resources policies regarding the disciplining of staff involved in such incidents.

Training is provided as part of the induction programme for new employees on Counter Fraud and Whistleblowing. In 2011/12 a review of these arrangements began, including an assessment of understanding of these arrangements across all council staff. A survey of staff and Members undertaken by the Council's Internal Auditors indicated a high level of awareness. However, the returns were used to develop a programme of counter-fraud awareness-raising activities to further increase assurance.

A corporate complaints procedure is in place for the Council to receive and investigate any complaint made against it, or against a member of staff. Complaints against Members relating to alleged breaches of the Members Code of Conduct are subject to a separate complaints process for which the Monitoring Officer and Standards Committee are responsible for dealing with, as referred to above.

## **Identifying the development needs of Members and Senior Officers and providing appropriate training.**

The Council aims to ensure that Members and employees have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. All new Members and staff undertake an induction to familiarise them with protocols, procedures, values and aims of the Council

In July 2009 the Council endorsed the commitment to the East of England Charter for Elected Member Development. The Member Charter is a statement of commitment to develop and support elected members. The Charter enables the Council to adopt a structured approach to councillor development and to build elected member capacity. In 2010/11 the Council was awarded the Member Charter and this status was retained in 2011/12 following independent assessment.

Member training attendance is registered and monitored.

Annual Performance Appraisals of staff are carried out which identify competencies and any training needs. These competencies have been developed to reflect skills and abilities needed to deliver services throughout the organisation and are in the context of the National Skills Framework for Local Government. All Council employees have individual training records, held on the Council's Employee Information System providing details of the courses attended.

During 2011/12 the Performance Appraisals system was developed to incorporate the Council's competency system designed to develop a 'High Performance Environment'. The High Performance Environment approach sets standards of behaviour and performance for all staff and assessments of these standards are undertaken as part of annual performance reviews undertaken at year end and interim reviews carried out during the year.

The Council has retained the Investors in People accreditation following a reassessment in 2011/12.

### **Establishing clear channels of communication with all sections of the community and stakeholders and encouraging open consultation.**

The Council's planning and decision-making processes are designed to include consultation with, and the submission of views by, local people and stakeholders.

Arrangements for consultation and gauging local views include consultation with the Town and Parish Councils, the Tenant and Leaseholder Committee, Citizens Panel and resident associations.

The Council works extensively in partnership. The Local Strategic Partnership, known as the 'Dacorum Partnership' shapes the Sustainable Community Strategy which links closely to the Council's Vision and Priorities. In June 2011 a paper was taken to the LSP Board consulting about change to the structure and function of Dacorum Partnership. The changing political, financial and partnership environment necessitates a fundamental re-think about the function and form that the Local Strategic Partnership should take. The Partnership's Executive have recommended a restructure which will be implemented in 2012/13. The Sustainable Community Strategy will be refreshed once the new structure is in place.

During 2011/12 the Council operated a Local Petition Scheme which assists members of the public, or community and voluntary organisations, to communicate their needs and concerns through petitions. We have also been working with a number of neighbourhood action groups to set the agenda for future improvements to local areas. The Council's magazine "Dacorum Digest" and the Dacorum Borough Council website are the principal methods for communicating with the Borough's 141,600 residents on the roles and responsibilities of the Council together with its plans for the future. The use of social media has also been developed through Facebook and Twitter

### **Incorporating good governance arrangements in respect of Partnerships**

The Council has participated in a number of partnerships aimed at improving the services it provides to the community, such as the Dacorum Partnership and various Community Safety Partnerships.

When drawing together different partners with varying organisational cultures and methodologies for handling governance issues, it is important that clear protocols are established at an early stage to minimise and manage risk.

In order to ensure optimal benefits are realised from partnerships, the Council approved a Partnership Framework in 2009. As part of this framework a partnerships register was established in mid 2009. The Partnerships register was reviewed in November 2011 ensuring that up to date partnership assessment forms were held and that any expired partnerships were removed from the register. This annual review also identified new partnerships which were added to the register. The partnerships register will continue to be reviewed annually and from 2012 a Partnerships status report will be taken to Cabinet to ensure that Council formally approves the list of partnerships that the Council is committed to.

## **A REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK AND SYSTEM OF INTERNAL CONTROL**

Dacorum Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of governance systems, the Internal Audit Annual Report, and also recommendations and comments made by the External Auditors and other review agencies and inspectorates.

### **The process applied in maintaining and reviewing the effectiveness of the governance framework**

The Council's key players in the process are summarised in the following table:

<b>Key Players</b>	<b>Role and Activity during the year</b>
Council	<ul style="list-style-type: none"> <li>○ Approve Constitution including: Financial Regulations; Codes of Conduct; Procurement Standing Orders; Scheme of Delegation.</li> <li>○ Set budget and policy framework</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>○ Financial, performance and risk management of service delivery within the Budget and Policy Framework set by Council – quarterly reports</li> <li>○ Responsibility for key decisions and initiating corrective action in relation to risk and internal control issues</li> <li>○ Monthly public meetings (excluding any summer recess)</li> <li>○ Regular briefings with Chief Officers</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>○ Five scheduled meetings per annum</li> <li>○ Review and scrutinise the outcome of Internal and External audit reports and those of other external agencies such as the Ombudsman</li> <li>○ Monitor the Governance arrangements within the Council</li> <li>○ Delegated responsibility to scrutinise and approve the Financial Statements on behalf of the Council</li> <li>○ To consider the External Auditor's report to those charged with Governance on issues arising from the audit of the accounts</li> </ul>

<p>Overview and Scrutiny Committees:</p> <ul style="list-style-type: none"> <li>o Housing &amp; Community</li> <li>o Strategic Planning &amp; Environment</li> <li>o Finance &amp; Resources</li> </ul>	<ul style="list-style-type: none"> <li>o To provide overview and scrutiny and policy development role in relation to business associated with the Cabinet Portfolios</li> <li>o To monitor the performance of relevant Council services, including services which are provided under contract or agreement by external organisations or private sector companies</li> </ul>
<p>Standards Committee</p>	<ul style="list-style-type: none"> <li>o Consider allegations of breaches of the Code of Conduct</li> <li>o Undertake the statutory functions of the Standards Committee as set out in the Local Government Act 2000 (as amended)</li> </ul>
<p>Internal Audit – (outsourced service provided by Deloitte)</p>	<ul style="list-style-type: none"> <li>o Set overall internal audit strategy to meet the Council's overall direction</li> <li>o Undertake an annual programme of audits</li> <li>o Present audit reports to Management and Audit Committee</li> <li>o Present progress reports to Audit Committee measuring performance against the Audit Plan</li> </ul>
<p>Chief Executive (Head of Paid Service)</p>	<ul style="list-style-type: none"> <li>o Overall corporate policy management and operational responsibility</li> <li>o Chairman of Corporate Management Team</li> </ul>
<p>Monitoring Officer (Assistant Director (Legal, Democratic &amp; Regulatory))</p>	<ul style="list-style-type: none"> <li>o Maintain the Constitution</li> <li>o Ensure lawfulness and fairness of decision making</li> <li>o Supporting the Standards Committee</li> <li>o Receive complaints, report them to the Standards Committee and take action in accordance with the Committee's initial decision, e.g instigate an investigation and ensure the correct procedural steps are followed and appropriate assistance is given to the Committee throughout the process</li> <li>o Proper officer for access to information</li> <li>o Advise whether Cabinet and Portfolio Holder decisions are within the Council's budget and policy framework</li> <li>o Provide advice and contribute to corporate management as a member of Corporate Management Team</li> </ul>
<p>Section 151 Officer (Corporate Director (Finance &amp; Governance))</p>	<ul style="list-style-type: none"> <li>o Ensure lawfulness and financial prudence of decision making</li> <li>o Responsibility for administration of financial affairs of the Council and keep proper financial records and accounts for maintaining an effective system of internal financial controls</li> <li>o Contribute to corporate management as a member of Corporate Management Team</li> <li>o Provide professional financial advice to members including the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues</li> <li>o Provide financial information to the media, members of the public and community</li> </ul>

Statutory Officers Comments – Monitoring Officer and Section 151 Officer	<ul style="list-style-type: none"> <li>○ Statutory officers review all Cabinet and Portfolio Holder Decision reports to consider and comment within the report on legal and financial implications arising out of the report</li> <li>○ Review of governance issues arising out of day to day working practices</li> <li>○ Consider issues arising out of the quarterly assurance statements</li> </ul>
Corporate Directors	<ul style="list-style-type: none"> <li>○ Overall strategic and operational management of those services falling within each individual directorate</li> <li>○ Contribute to corporate management as a member of Corporate Management Team</li> </ul>
Corporate Management Team	<ul style="list-style-type: none"> <li>○ Monthly review of budget, performance and Improving Dacorum Programme</li> <li>○ Quarterly review of strategic risk management</li> </ul>
Performance Board	<ul style="list-style-type: none"> <li>○ Review performance against Council Vision and Priorities</li> <li>○ Review Dacorum Delivers improvement programme projects</li> </ul>
Capital Strategy Steering Group	<ul style="list-style-type: none"> <li>○ Representation from all directorates and Cabinet (Finance and Resources Portfolio Holder)</li> <li>○ Monthly monitoring of the delivery of capital programme</li> <li>○ Detailed appraisal and scoring of new schemes for recommendation to Cabinet/ consideration for recommendation to Council</li> </ul>
Corporate Working Groups	<ul style="list-style-type: none"> <li>○ Officer/Member groups drawn from service directorates and including relevant Portfolio Holders as appropriate</li> <li>○ Oversee and review delivery of all relevant operational matters and establish and receive reports from sub-groups as necessary</li> <li>○ Consider options appraisals and make recommendations for CMT and Cabinet consideration</li> </ul>
Corporate Risk Management Group (subsumed within Assistant Directors Group)	<ul style="list-style-type: none"> <li>○ Officer meetings (membership drawn from all directorates at Assistant Director Level, the Council's Risk Manager and Internal Audit) to review operational risks and business continuity</li> </ul>
Assistant Directors and Group Managers	<ul style="list-style-type: none"> <li>○ Operational management for the services falling within each individual service area</li> <li>○ Assurance Statements covering all of the Council's key internal controls, including: Financial Regulations; Procurement Standing Orders; Employees Code of Conduct; Corporate Policies; and risk management.</li> </ul>

## **Statement by leading member (Leader of the Council) and leading officer (Chief Executive) of the Council**

We have been advised of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address the weaknesses and ensure continuous improvement of the system is in place. We have identified the significant governance issues below.

### **Significant governance issues**

Deloitte Public Sector Internal Audit Limited was appointed as Internal Auditors with effect from October 2008. The Internal Auditors have completed the programme of internal audit work for the year ended 31 March 2012.

As a result of planned audit work carried out by Deloitte Public Sector Internal Audit Ltd during the financial year, specific issues have been identified. These are set out in the following paragraphs.

Deloitte Public Sector Internal Audit Ltd undertook a total of 27 reviews in 2011/12, of which 23 (85%) were rated as providing a full or a substantial level of assurance. 4 reviews (15%) provided limited assurance. Consequently the Internal Auditor has obtained satisfactory assurance that the system of internal control in place at the Council for the year ended 31 March 2012 accords with proper practice. Further details of the reviews undertaken by Internal Audit during 2011/12 are available upon request and are summarised within the Internal Auditor's draft annual report presented to the Audit Committee on 25 April June 2012 and published on the Council's website.

The Internal Auditor noted in his annual report that "as in previous years, we have noted areas of improvement throughout the Authority, including better control over key financial systems resulting in fewer recommendations being raised." . Four limited assurance reports were issued, three of which included priority 1 recommendations. These three relate to issues that are deemed to be fundamental to the systems concerned and upon which immediate action has been taken. These relate to:

- 1) **Partnerships – sports Trust delivery plan and funding approval.** The existing funding agreement has expired and a new set of arrangements have been drafted and are subject to legal review processes. Formal confirmation of the Sports Trust's acceptance of the revised funding agreement is awaited.
- 2) **Information Management – business continuity and disaster recovery.** Existing IT infrastructure has reached the end of its operational effectiveness and systems for securing data need to be revised. A process for migrating data to a remote data storage facility at Buckinghamshire County Council has been introduced which will provide increased security and enable business continuity..
- 3) **Information Management – information security.** A theft of computer equipment from one of the Council's adventure playgrounds highlighted weaknesses in data security in relation to computer equipment at remote sites. The Chief Executive has provided a Statement of Assurance to the Information Commissioner that steps have been taken to address information security control weaknesses and that the operation of these controls will be kept under review.

- 4) **Project management (DRAFT).** Controls relating to project management were not consistently implemented, particularly where the IDP methodology was not adopted within service departments. This has been addressed by ensuring that all key projects are controlled through the IDP approach.

Action plans have been prepared for all the areas reviewed and the Internal Audit plan for 2012/13 includes a follow-up process to provide assurance that officers have implemented all agreed recommendations. Progress against previous recommendations is reviewed by the Audit Committee.

Where this Governance Statement has identified other areas for improvement we propose over the coming year to take steps to address the above matters to enhance our governance arrangements further. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

We give our assurance that the Council as a whole is committed to continuous improvement and believe that we have established the relevant foundations on which to create further capacity to continue to develop our governance arrangements.

Signed .....  
(Councillor Andrew Williams – Leader of the Council)

Signed .....  
(Daniel Zammit – Chief Executive)



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

## DACORUM BOROUGH COUNCIL

### AUDIT COMMITTEE MINUTES

25 APRIL 2012

**Present:**

**Members:**

Councillors	Collins	Marshall
	Doole	Taylor
	Douris	W Wyatt-Lowe

<b>Officers:</b>	S Flynn	Assistant Director – Finance & Resources
	B Haylock	Organisational Development & Training Team Leader
	S Marshall	Corporate Director – Finance & Governance
	H Price	Corporate Safety, Health & Care Officer
	L Stone	Member Support Officer (Minutes)

<b>Internal Audit:</b>	S Knowles	Deloitte
	B Welch	Deloitte

**Audit Commission:** S Bladen

The meeting began at 7.30 pm

#### 1. APOLOGIES FOR ABSENCE

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

#### 2. DECLARATIONS OF INTEREST

Councillor Collins declared a personal interest as he was a trustee of the Citizen's Advice Bureau and a Town Councillor for Berkhamsted which used the Civic Centre.

#### 3. MINUTES AND ACTIONS

The Minutes of the meeting held on 8 February 2012 were agreed by the Members present and then signed by the Chairman.

Actions from 8 February 2012:

- a) A more detailed breakdown of the areas covered and not covered by Internal Audit over the last three years had been provided as an agenda item for this meeting.
- b) L Miller provided a written response to the Committee on 16 February as to why a new agency staff contract had not been put in place before the end of the previous contract.
- c) C Gordon confirmed that the importance of data quality, spelling and grammar had been added into communications to officers on CorVu.

- d) S Marshall said that there was no signed copy of a contract with Savill's as it was not necessary. A framework agreement was in place and the Procurement team had confirmed that this was all that was needed.
- e) The profile of Health and Safety would be discussed at this meeting.
- f) S Marshall said that with regard to the outstanding Licensing recommendation, the premises inspection process had been reviewed and improved. Risk ratings were included and Flare software was now also being used. A team leader for Licensing had been appointed and there were 1.4 full time equivalent members of staff in addition who would carry out enforcement actions.
- g) Internal Audit had provided the original date as well as the revised date on all follow up recommendations and more detail had also been included in the Follow Up report.
- h) The Follow Up report had been moved earlier in the agenda.
- i) L Miller had circulated the letter from this Information Commissioner's Office.

#### **4. PUBLIC PARTICIPATION**

None.

#### **5. HEALTH AND SAFETY STATUS AGAINST PRIORITY 1 AUDIT ACTION REPORT**

B Haylock presented the report.

Councillor Marshall arrived at 7.45pm.

Councillor Doole asked if the Health and Safety Risk Register was separate from the Council's main Risk Register. H Price confirmed that it was.

Councillor W Wyatt-Lowe asked H Price to define her job title. H Price said she dealt corporately with the workforce and advised on Health, Safety and wellbeing issues. She supported managers to carry out their responsibilities.

Councillor Douris asked if all the Group Managers had attended the training sessions and if there had been any reluctance. B Haylock said there had been no reluctance although all Group Managers were busy. An output from a training session had been to get an expert to come in and explain the roles and responsibilities.

Councillor Douris thanked the officers for the report and their attendance.

#### **Resolved:**

Report was noted.

#### **Actions:**

None.

#### **6. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT**

S Bladen outlined the report. Seven claims and returns had been certified, one of which had required a qualification letter. S Bladen also drew attention to the fees listed in the report.

Councillor Collins asked how the sample of the Housing and Council Tax Benefits Subsidy Claim had been selected. S Bladen said the certification of claims was agreed between the Audit Commission and the Department for Work and Pensions (DWP). The DWP stated a number of claims to certify from certain departments and the Audit Committee selected 20 from each randomly. S Bladen added that in addition, they also tested cells within a claim where previous years were also investigated.

Councillor Collins referred to Cell 147 (Overpaid Council Tax Benefit (Local Authority Error)) and Cell 148 (Overpaid Council Tax Benefit (claimant error)) where there were errors of 30 to 40%. He asked how this compared nationally. S Bladen said the percentage of errors was higher than they would have expected to find. He said, however, that Housing and Council Tax Benefits Subsidy was complicated and 80% of Local Authorities had needed a letter of qualification.

S Flynn added that these cells referred to misclassification of overpayment rather than necessarily a high level of overpayments. S Bladen said it was important in that the classification could affect the amount of subsidy which the Council could claim back.

Councillor Douris asked what actions were in place to reduce the number of misclassification errors. S Flynn said that, as had been presented in a number of reports to Members, the department had been under great pressure due to the continuing increase in the number of claims now being handled. A new system (ATLAS) had been implemented by the Department for Work and Pensions which required a higher level of checking by Council officers. Additional resources had been given to reduce the backlog of claims. A company called Liberata would be used to focus on the performance of the Revenues and Benefits service in making it more efficient, introducing a quality control mechanism. Specialist staff would be moved into the Customer Service Unit to improve the service at the first point of contact.

Councillor W Wyatt-Lowe asked about the total terminations during 2010/11 within the Housing Finance Base Data Return and whether something was wrong to cause a 10% error. S Bladen said it was a copying error.

**Resolved:**

Report was noted.

**Actions:**

None.

## **7. AUDIT PLAN 2011/12**

S Bladen presented the report. He highlighted the timing of the proposed work in reviewing the work of the Internal Auditors, testing the operation of controls, looking at the reliance on the work of other auditors and experts and substantive tests of detail of transactions and amounts. S Bladen also noted the fees set out in the report.

Councillor Doole asked how the figures in the fees were calculated as the figures did not seem to add up. S Bladen said he would clarify that.

Councillor Tiley asked officers to provide an update on the position on external Audit appointments. S Marshall said the national tendering process had been completed. Ernst and Young would be the new external Auditors. S Marshall said it was likely that the current team within the Audit Commission would be transferred to Ernst and Young. She and S Flynn would be attending a meeting on 14 May for an introduction to the new organisation. The Audit Committee would run until 30 September, after which, Ernst and Young would take over. Councillor Tiley said he had no criticism of any individuals, but that it was a negation of Localism that Councils were not able to choose their own external Auditors.

**Resolved:**

Report was noted.

**Actions:**

- S Bladen to clarify and confirm the Audit Commission's fees for the Audit Plan 2011/12.

**8. INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS**

S Knowles presented the report. She said there were only two completely outstanding recommendations from 2010/11 and 13 partly implemented. Further discussions would take place with managers to see if these recommendations had been carried out as far as they would be. There were 17 outstanding recommendations from 2011/12 and further detail was provided on the outstanding priority 1 recommendations.

Councillor Collins said that the tables in the report showed that in 2010/11, two thirds of the recommendations made had been implemented. In 2011/12, it was under half, he asked why this had dropped. S Knowles said that the tables did not show all Audits carried out, only those with outstanding recommendations. B Welch added that officers where Audits had been carried out in 2010/11 had had longer to implement the recommendations.

Councillor Doole said that if not all the Audits carried out within the year were included in the table, the totals at the bottom of the tables meant nothing. He asked if two completely outstanding recommendations over a year after the Audit was acceptable. Councillor Marshall said that the Audit may have been carried out in 2011, but the recommendation could be to implement an action within the next 12 months, for example.

Councillor Marshall asked if the partly implemented Council Tax recommendation was covered in the Final Report on this agenda. B Welch said Audits always picked up previous recommendations as well as looking at other aspects of an area.

**Resolved:**

Report was noted.

**Actions:**

None.

**9. INTERNAL AUDIT REPORTS**9.a Housing Rents

S Knowles said that pages 4, 5 and 6 of the report were missing from the agenda. The Committee therefore agreed to defer this item to the next meeting.

**Resolved:**

Report deferred to the meeting on 30 May 2012.

**Actions:**

- None

9.b Property Lettings

S Knowles explained that this work had been carried out as a result of a complaint received. There were five Priority 2 recommendations as well as a system improvement opportunity.

Councillor Marshall asked whether the new team leader for Valuation and Estates was a new post or to fill a vacancy. S Flynn said it was a replacement for an officer who was

retiring. Councillor Marshall asked if there were enough resources in this team, S Flynn confirmed that there were.

With regard to recommendation four, Councillor Doole asked if 12 months to review the Evaluation process was reasonable given that it was a Priority 2 recommendation. S Flynn said it was an opportunity for the new team leader to look at a range of practices. Rather than dealing with each issue and recommendation in isolation a systemic change was needed which would take longer.

Councillor Douris referred to the second recommendation, properties advertised on the website. He sought confirmation that this was already carried out and that the recommendation was for new methods. S Flynn said it referred to the speed at which they were advertised; this needed to be done more quickly.

**Resolved:**

Report was noted.

**Actions:**

- None

9.c Accounts Receivable

S Knowles presented the report; there were one Priority 2 and two Priority 3 recommendations.

Councillor Doole commented that the fieldwork had been carried out in September, and the report completed in March. He asked why there was a long gap between. B Welch said he was unaware of any specific reason for a delay. Councillor Douris said that in future, they should be completed more quickly.

Councillor Douris asked how many VAT codes the Council used. S Flynn said he would let the Committee know.

Councillor Marshall asked if the Accounts Receivable included sundry debtors for repairs recharged to tenants. S Flynn confirmed that it did, he said there was a wider discussion about Housing Revenue Account recharging generally.

**Resolved:**

Report was noted.

**Actions:**

- S Flynn to circulate details of the VAT codes to the Audit Committee.

9.d Council Tax

S Knowles highlighted recommendation 3, which had not been implemented from the previous audit. The other two recommendations related to updating policies and procedures.

Councillor Doole asked if recommendation 3 should be more significant as it had not been carried out following a previous audit. S Knowles said that would not make it more important unless its non implementation had led to something else.

S Marshall added that there had been some manual work carried out on reviewing credits and some had been paid back. S Flynn said that the costs of carrying it out had outweighed the benefits. It was a low risk and low value matter.

Councillor Douris said just over £800,000 was a lot to hold, he asked if some of this money should be written back. S Flynn said there was a write on procedure; most of the credits were for very small amounts where the administration of refunding could be higher than the amount to be refunded.

S Marshall said she would ask for information to look at the volume of credits and band it into categories.

Councillor Marshall said that there was a policy of not pursuing debts under a certain amount and asked if there was a similar policy of not pursuing credits. S Flynn said that there was a write on and write off policy.

Councillor Marshall said that the Follow Up report had identified two outstanding Council Tax recommendations and asked what the other was. S Knowles said she would let the Committee know.

**Resolved:**

Report was noted.

**Actions:**

- S Flynn to extract information to look at the volume of credits and band it into categories.
- S Knowles to provide detail on the remaining outstanding Council Tax recommendation from the previous report which was not mentioned in this report.

9.e Business Rates

S Knowles outlined the report, there were no questions.

**Resolved:**

Report was noted.

**Actions:**

None.

9.f Benefits

S Knowles presented the report.

Councillor Doole said the Benefits service had had problems with backlogs in the past, but the report showed that the service was performing well against targets. S Flynn said a lot of progress had been made.

**Resolved:**

Report was noted.

**Actions:**

None.

9.g HRA Self Financing

S Knowles outlined the report and said that there were no recommendations.

Councillor Douris said that the Audit Committee wished to give its unanimous appreciation and acknowledgement of the huge amount of work carried out by S Marshall, S Flynn and J

Deane and their teams. There had been a very successful conclusion of great work which would benefit residents and the Council.

**Resolved:**

Report was noted.

**Actions:**

None.

## **10. DRAFT INTERNAL AUDIT ANNUAL REPORT 2011/12**

B Welch highlighted the report and said it provided a summary of the year's work. 27 audits had been carried out. The report was currently in draft format, an updated version would be brought back to the next meeting.

Councillor Douris asked that the Committee save any comments on Project Management and Information Security until the next meeting where the items would be on the agenda.

Councillor Doole asked for clarification that there was no information on actions taken, simply the recommendations made. B Welch confirmed that to be the case and said that the Follow Up report covered the actions taken.

Councillor Douris said he was frustrated to see that Partnerships and Business Continuity and Disaster Recovery had limited assurance. He said he would have liked to have seen a positive move downwards on those with limited assurance. B Welch said it was difficult as if full assurance was always given, it would be questioned whether the right areas were being looked at.

**Resolved:**

Report was noted.

**Actions:**

None.

## **11. INTERNAL AUDIT PLANNING**

B Welch outlined the report which showed how decisions were made on what was audited and how they were categorised. Deloitte had started work with the Council in 2008. The report showed all the audits carried out since then.

Councillor Doole said the report stated that Sports Trust had not been looked at since 2008, but it had also been included in the Partnership audit carried out more recently. B Welch said that they had taken on the existing work programme when they took over in 2008. They had since re-categorised the headings.

**Resolved:**

Report was noted.

**Actions:**

None.

## **12. DRAFT INTERNAL AUDIT OPERATIONAL PLAN 2012/13**

B Welch presented the report and drew attention to a new system of Control Risk Self Assessment which would be carried out by officers prior to the audit. This would inform the



scope of the individual audit and would allow the Internal Auditors to spend less time on each audit. Assurance would be needed from the external Auditors that this system would be sufficiently robust.

Councillor Marshall asked if Server Virtualisation referred to within ICT was Cloud and if a decision on this had been made. S Marshall said it was not, it was for the Council's servers. B Welch said he would ask A Robinson to provide more information on the scope of this audit.

Councillor Collins said that as agendas were printed in black and white, colours should not be used on the dashboard.

S Marshall said that the Corporate Management Team had not yet agreed the plan; it was still in draft form. It would come back to the meeting on 30 May. She welcomed comments on it at this stage.

Councillor Doole asked about the key for the dashboard on assurance mapping. B Welch said it referred to where assurance had been received or where there was assurance but risks were not managed properly or where it did not quite hit the mark. The judgement was made in consultation with management and risk mapping.

Councillor Doole suggested looking at information security within this programme. S Marshall said she would feed this back and look at the scope. She said this was likely to look at paper security as well as ICT security. More flexible and home working would have a big impact on this area.

**Resolved:**

Report was noted.

**Actions:**

- A Robinson to provide more information for Councillor Marshall on the scope of the Server Virtualisation audit.

### **13. WORK PROGRAMME**

**Resolved:**

The work programme was agreed.

### **14. EXCLUSION OF THE 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).

### **15. PART II MINUTES OF 8 FEBRUARY 2012**

Full details in the Part II minutes.

The meeting ended at 9.30 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>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>19 September 2012</b>	5 September 2012	7 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

