



DACORUM BOROUGH COUNCIL
AUDIT COMMITTEE MINUTES
30 September 2014

Present:

Councillors: Douris Taylor (Chairman)
 Doole McKay
 Harris

Councillor Tiley (Portfolio Holder for Finance and Resources)

Officers: S Marshall Chief Executive
 J Deane Assistant Corporate Director (Finance & Resources)
 Ben Trueman Group Manager: ITC
 J Doyle Group Manager - Democratic Services

Others: Mike Clarkson Mazars (Internal Audit)
 John Claydon Mazars (Internal Audit)

The meeting began at 7.30 pm

21. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Adshead, Elliot, W Wyatt-Lowe; Councillor Harden (Portfolio Holder for Residents and Regulatory Services) and councillor Douris for a late arrival.

22. DECLARATIONS OF INTEREST

None.

23. MINUTES

The minutes of the meeting on 30 July 2014 were confirmed by the members present and signed by the Chair.

24. PUBLIC PARTICIPATION

None.

25. INTERNAL AUDIT -Internal Audit Progress Report

Mike Clarkson (MC) introduced the overall view of the year's internal audit reviews to date, which in general was seen as satisfactory and identified no significant concerns: Progress overall is good and to target.

He drew attention to the agreed decision that the audit of the Trees & Woodlands service has been rescheduled for the December meeting.

The draft report on Regeneration is on target in terms of delivery and will be considered at the next meeting.

MC then went through the appendices to the report; statement in terms of status: up to date; and no recommendations outstanding.

Resolved:

That progress on the 2014/15 Internal Audit programme be noted.

Action:

Trees & Woodlands service audit rescheduled for the December meeting

26. INTERNAL AUDIT REPORTS

Risk Management Strategy:

This item was introduced by MC who began by saying that the Risk Management Strategy had been reviewed with a view to developing it in conjunction with senior managers.

In the auditors view there is a need for the council to encourage a situation where all involved in any council enterprise are aware of the risks involved and that this is not restricted just the project manager. This is particularly true for those involved in managing the council's large projects. It was their view that the council should encourage improved recording of the reasons why we have accepted that any particular risk exists but needs to be taken. This in turn needs to be reported through the committees as dealing with risk works well at the officer level but needs involvement and development at member level.

The Auditors recommended four improvements:

- An annual review of the Strategic Risk Register (SSR), to involve Members and Officers, focusing on risk identification;
- Risk registers for key projects tied into the overall risk management strategy;
- Recording of accepted risks and the reasons why further mitigation measures are required; and
- The Audit Committee review and scrutinise the SRR.

In the auditors view the risk management approach is adequate and the level of assurance was classified as 'Substantial'.

Councillor Taylor thanked the auditors for their suggestions to improve the process. He agreed the recommendations should be forwarded to Cabinet and he would see that members receive the training required through the Member Development programme, currently being developed for next year.

Councillor Doole said he would welcome more attention being paid to the 'assurance' section of committee reports. He is keen to see an explanation on how the 'control' is managing the risk. The representatives from Mazzars agreed that this would be a good area to improve as better recording of why a risk has been accepted and the control adopted are useful during any improvement process.

Councillor Harris added that in his opinion how DBC consider risk at Overview & Scrutiny is confusing: he feels our reporting does not indicate why we have chosen any particular risk or what it is supposed to tell us.

He requested that for the proposed annual review meeting be chaired by an opposition member. The audit committee considered this and agreed an additional recommendation to cabinet that the annual review of the SRR should include at least one opposition Member.

Councillor McKay endorsed fellow member's views that the risk registers use of red and green indicators do not always show what has happened to change or mitigate the risk. In his opinion members never know which mitigating measure has been instituted to reduce the likelihood of the risk. J Deane was hopeful that the new facilitated process will address this.

Councillor Tiley welcomed the proposal to increase member involvement in risk management and the effort to de-mystify the process.

Councillor Taylor again promised that the Member Development programme will address issues such as Facilitated training; political balance; Understanding mitigation; the rationale behind how the control mitigates the risk; etc. and he elected to take Mazzars up on an offer to give facilitated sessions as part of induction for new members after the election next year. Initially this training may need to concentrate on a core group of members and Councillor Tiley suggested the involvement of all of the Audit Committee in its development.

Councillor Douris arrived at 8.05

Resolved:

That the Cabinet be recommended to endorse the improvements to the Strategic Risk Register process as suggested by the Internal Auditors in conjunction with the Audit committee as follows:

- An annual review of the Strategic Risk Register (SSR), to involve Members and Officers, focusing on risk identification;
- Risk registers for key projects tied into the overall risk management strategy;
- Recording of accepted risks and the reasons why further mitigation measures are required; and
- The Audit Committee review and scrutinise the SRR; and
- The annual review of the SRR should include at least one opposition Member.

27. EXCLUSION OF THE PUBLIC

Resolved:

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 2 of the Agenda for this meeting, because it was likely, in view of the nature of the business to be transacted, that, if members of the public were present during that item, there would be disclosure to them of exempt information relating to details of Information Security and officer contact details.

28. UPDATE ON THE COUNCIL'S ICT DISASTER RECOVERY POSITION

This item was introduced by the Group Manager ITC, who began by taking the Committee through the four likeliest potential disaster recovery scenarios in an effort to understand when DBC ICT would expect to invoke Disaster Recovery.

In the event of a serious incident the first approach is to try and fix/recover the broken primary data centre. This process (and any test of our effective response) would require 48 hours during which the data could not be accessed.

An enormous amount of work has gone into improving our resilience. The development of the secondary link should mean our position is now much stronger.

At the moment we would lose an hour of data at the most, as replication of primary and secondary data systems is carried out every hour.

The Group Manager ITC assured members that at no point did we have no Disaster Recovery in place but setting up the improvements to the system has left little room for testing the system. This testing can now begin in earnest in line with the timetable as set out in the agenda. The testing will include desktop tests designed to establish and confirm 'Recovery point' and 'Recovery time' objectives.

Councillor Harris welcomed the suggested improvements but wanted to know if the quality of the hourly data restoration/replication can be tested. In order to do this he suggested that we may need more regular runs of the Desktop tests.

Councillor Doole was satisfied that DR is in a good position now but as it has taken a while to get here he would like reassurance that the testing schedule dates are feasible. The Group Manager ITC felt these dates are reasonable but may need to be reviewed as April is a busy month of council activities. The Chief Executive endorsed this and suggested that the major test may have to be postponed to post elections (June) as we cannot afford to have systems down during such activities as the annual billing; electoral registration, Old Town Hall bookings; etc.

Councillor McKay was also pleased to see the steps taken to improve resilience and replication as disasters are often as simple as a cable cut by a digger or a fire in a duct. Group Manager ITC pointed out that work was continuing to improve resilience by considering alternative diverse routes out of the building to the local exchange.

MC (Mazars) considered the response to the recommendations to be excellent and considered the main issues to have been addressed.

20. WORK PROGRAMME

The committee considered future items for consideration.

Resolved:

Internal Audit's Trees and parklands report to be brought to the December meeting.

The meeting ended at 8.50 pm