



DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

24 APRIL 2013

Present:

Councillors: Doole Taylor (Chairman)
Elliot Townsend

Portfolio Holder for Finance and Resources, Councillor Tiley

Officers: S Baker Assistant Director (Legal, Democratic & Regulatory)
J Deane Assistant Director (Finance & Resources)
S Marshall Corporate Director (Finance & Governance)
H Price Performance, Improvement and Transformation Team
Leader
L Stone Member Support Officer (Minutes)
J Worts Information Security Team Leader

Internal Audit: M Clarkson Deloitte
G Rubins BDO

External Audit: S Bladen Ernst & Young

The meeting was preceded by a briefing from BDO, the newly appointed internal auditors.

The meeting began at 7.30 pm

11. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Collins. Councillor W Wyatt-Lowe was absent.

12. DECLARATIONS OF INTEREST

None.

13. MINUTES AND ACTIONS

The minutes of the meeting held on 6 February 2013 were agreed by the Members present and then signed by the Chairman.

14. PUBLIC PARTICIPATION

None.

15. INTERNAL AUDIT PROGRESS REPORT

M Clarkson outlined the report. There were seven final reports issued since the last progress report, all but one had received full or substantial evaluation and testing. Nine reports were currently in draft form waiting for management responses. M Clarkson confirmed that he would come to the next meeting if necessary to discuss the final progress report.

One Priority 1 recommendation had been made within the Performance Management report, which would be discussed during the next item.

Councillor Elliot arrived at 7.40pm.

Councillor Townsend asked if the procurement audit had included the Customer Service Unit (CSU) contract. S Marshall said that there had been a delay in the timing of the tendering for the CSU; it had therefore not been possible to complete an audit on the award of the tender. The days had instead been used for more general procurement. The CSU contract would be looked at later in the year.

Councillor Townsend expressed concern that although the legality of the invitation to tender for the CSU had been looked at, the wording of the terms from a commercial perspective had not been challenged or reviewed. S Marshall suggested that it could be included within the forthcoming discussion on the Internal Audit work plan.

S Bladen arrived at 7.45pm.

Councillor Doole asked if the audit on data management and security in terms of home working had been removed. M Clarkson said it had been combined with the virtual infrastructure and remote access audit.

Councillor Doole referred to the management response in the NNDR final report summary. He asked how long printed signed copies of monthly reports would be kept with regard to data security. M Clarkson said an account of what was being done was needed. He would expect them to be stored for one year, but other ways of storing the information could be considered. J Deane added that they were stored securely for one year and then disposed of.

Councillor Taylor said that there was a retention schedule and suggested that they could be scanned. J Worts said the retention module flagged up when information needed deleting,

M Clarkson drew attention to the three partly implemented Priority 1 recommendations. S Marshall said that with regard to the security of mobile phones, she had requested an update from Lon Jeal, the ICT transition manager. They acknowledged the delay which related to a change in the way mobile phones were procured. Historically, the encryption log had not been with ICT, which it would be going forward. Within the next 3 months, it was hoped that all mobile phones would be encrypted and more remote access of emails would be allowed. The PIN was a temporary measure.

Councillor Doole asked if this recommendation should be moved to Priority 2 as some protection was in place. S Marshall said PIN protection was not sufficient and that it should remain as Priority 1.

Councillor Taylor asked if a device which generated a random number to use when signing in could be used. J Worts said these were already being used for remote log in.

Councillor Townsend referred to the Sports Trust Delivery Plan and Funding Approval outstanding recommendation. M Clarkson said there had been a delay in the decision making process. Their three year plan did not need Portfolio Holder approval, but the funding did.

Councillor Tiley said they had an effective three year plan which the Council had seen. He added that they were an independent organisation and that the Council should not be involved in developing their plan.

J Deane would follow this up and bring an update to the next meeting.

J Worts said that the responsible officer on the Data Sharing Protocol recommendation should be changed to Information Security Team Leader. He added that he had completed two forms including one for internal data sharing. These had been trialled successfully and would therefore be rolled out.

Councillor Taylor said that he had asked for information from a department and been told he could not have it. J Worts said that he would include a section on the FAQs on sharing information with Members.

Councillor Townsend asked if comparisons were being made with other authorities when drafting protocols. J Worts said that there was an Information Security group within the Hertfordshire authorities which shared best practice. He said that Dacorum were leading the way. This would try and ensure a consistent approach across the County. J Worts was adapting the Information Commissioner's Office forms which provided a generic template.

Councillor Townsend said it was surprising that there was not a uniform standard which all Councils could adopt and asked if there was a legal review of the protocols being developed. J Worts said that the protocols across Councils would vary. S Baker said that J Worts worked with legal in developing the protocols. Each Authority had to interpret the Act for themselves.

Resolved:

The Committee accepted the Audit progress report

Actions:

- J Deane to follow up on the outstanding Sports Trust Delivery Plan and Funding Approval recommendation and bring an update to the next Audit Committee meeting.

16. INTERNAL AUDIT FINAL REPORT – PERFORMANCE MANAGEMENT

M Clarkson said that the full report had come to the Committee as limited evaluation had been given. The controls in place were being complied with, but the system in place was not satisfactory. There was no process in place to look at monitoring the performance indicators which questioned why they were in place.

Councillor Doole asked if the management response resolved the problem. M Clarkson confirmed that it did.

J Deane said that previously, any targets not reviewed, would be rolled forward. This had now been changed so that any indicators not reviewed would have blank targets.

Councillor Townsend said that the review did not show much evidence of Member involvement, he added that there was not much engagement at Overview and Scrutiny Committees (OSC). M Clarkson said that there was a process of reviewing and monitoring by Members, but not whether it was what Members wanted to review.

Councillor Tiley added that it was an important part of a Portfolio Holder's job to discuss the targets on a monthly basis with the Directors. He said it was difficult for the OSCs to monitor the performance indicators as there were still so many. He suggested that each OSC could select some indicators for closer scrutiny.

With regard to the Priority 2 recommendation on updating projects on the CorVi system, Councillor Doole asked if the action corrected this specific problem relating to the Maylands Business Park project rather than adding a mechanism for stopping it happening again.

S Marshall said that there was a review of project management especially the projects in key priority areas. A new project approval process had been developed and a Project Initiation Document would have to be produced. She added that the officer who wrote the response may not have known that. Councillor Doole asked if all Assistant Directors saw the reports before coming to Audit Committee. S Marshall confirmed that they did. J Deane said that this recommendation had been taken from the regeneration audit, the response had made sense within that remit.

Councillor Taylor thanked M Clarkson for his work.

Resolved:

The Committee accepted the report.

Actions:

None.

17. EXTERNAL AUDIT PLAN

S Bladen outlined the report. He said that work would be focused on significant risks which were the valuation of Council dwellings and the Public Service Quarter (PSQ). Councillor Tiley asked if the fact that the PSQ assets had not been classified or valued, did it mean that work was missing. S Bladen said it was more about the technical accounting treatment. He said that there were strict definitions on what a property was used for and how it affected the balance sheet. They would be looking at whether they had been classified correctly. Discussions had already taken place with R Baker, and there were currently no concerns.

Councillor Townsend asked what the checks were in looking at economy, efficiency and effectiveness. S Bladen said that they would give an opinion on financial resilience and economy, efficiency and effectiveness in the use of resources. They would focus on two specific areas within this: achievement of the 2012/13 budget and financial planning for 2013/14 and 2014/15.

Councillor Townsend said that the fees seemed low when compared to what would be charged to commercial organisations. S Bladen said it would depend on the type of organisation and that not all would have high fees.

Resolved:

The Committee accepted the report.

Actions:

None.

18. WORK PROGRAMME

Resolved:

The Work programme was agreed subject to the following changes:

- The External Audit Plan to be removed from the May meeting.
- Internal Audit Plan to be added to the May meeting.

19. 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 an individual or which is likely to reveal the identity of an individual.

20. INFORMATION SECURITY UPDATE REPORT

Full details in the Part II minutes.

The meeting ended at 9.05 pm