



Audit Committee Agenda

7.30pm, Wednesday 30 April 2014

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.

Adshead	Harris
Doole	Taylor (Chairman)
Douris	W Wyatt-Lowe
Elliot	

Substitute Members: Councillors Anderson, Marshall, McKay and Townsend.

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Part II

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1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

3. MINUTES AND ACTIONS

To confirm the minutes of the meeting held on 12 February 2014 and consider the actions.

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

5. EXTERNAL AUDIT REPORTS

- 2012/13 Housing and Council Tax Subsidy Benefit Certification Fee
- 2013/14 Audit Plan
- 2014/15 Fee letter
- External Audit - DBC Committee Briefing

See attached booklet

6. INTERNAL AUDIT REPORTS

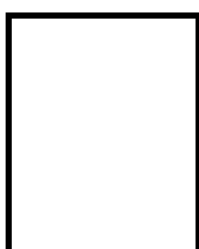
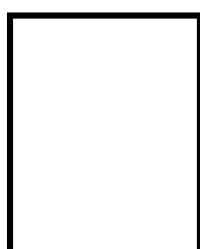
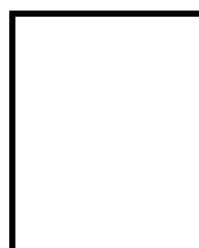
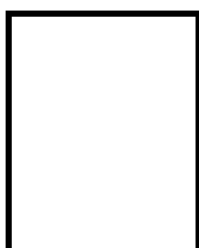
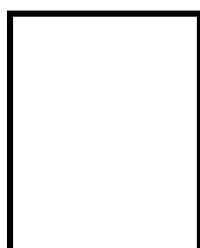
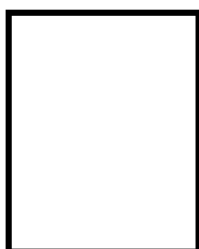
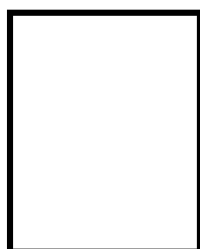
- Internal Audit Operational Plan 2013-15
- Internal Audit Progress Report - April 2014
- Housing Rents 13/14
- Main Accounting 13/14
- Corporate Governance
- NNDR
- Human Resources
- Housing Benefits & Council Tax Support
- Planning
- Contract Management

See attached booklet

7. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to ...



**DACORUM BOROUGH COUNCIL
AUDIT COMMITTEE MINUTES
12 FEBRUARY 2014**

Present:

Councillors: Adshead Harris
Doole Taylor (Chairman)
Elliot W Wyatt-Lowe

Officers: J Deane Assistant Director (Finance & Resources)
J Doyle Group Manager - Democratic Services

Others: John Claydon Mazars (Internal Audit)

The meeting began at 7.30 pm

71. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Douris, Tiley (Portfolio Holder for Finance and Resources) and W Wyatt-Lowe.

72. DECLARATIONS OF INTEREST

None

73. MINUTES AND ACTIONS

The minutes of the meeting held on 18 December 2013 were agreed by the Members present and later signed by the Chair.

74. PUBLIC PARTICIPATION

None.

75. INFORMATION SECURITY

J Worts took the Committee through the report submitted.

The Chairman praised those involved in:

- Achieving PSN compliance;
- Addressing the various critical vulnerability issues; and
- Dealing with the ICO recommendations on the Grovehill Pavilion and Bennets End Playground incidents.

Cllr W Wyatt-Lowe raised the issue of saving all (or some) e-mail on encrypted memory? J Worts advised that 'sensitive or personal' data should be always be safeguarded and the risk of unauthorised disclosure mitigated.

Cllr Harris moved on to the issue of 'homeworking: the difficulties of access experienced as a result of the tighter security measures; and the implications for both officers and councillors. In his opinion we have adopted a draconian approach. He suggested other councils had adopted a 'walled garden' approach to IT provision, (segmented and using firewalls) to distinguish between and treat separately the more sensitive information from more openly accessible. J Worts explained the reasons for our current strict approach (PSN compliance etc.) and that it controlled current accessibility which would make it easier to adopt a more relaxed approach in the future rather than approaching the matter from too lax

a level of control. He confirmed that laptops were being rolled out to all staff. Cllr Harris felt this approach could be expensive.

Cllr Harris then asked for officer opinions on the conflict caused by government diktats on such things as protecting data and PSN access as against their promotion of increased openness.

J Worts is particularly well placed to appreciate this conflict as he is also the officer charged with dealing with Freedom of Information requests and monitoring DBC openness. We have to strike a balance between policies such as 'Inspire' and the drive to greater sharing of data and metadata while at the same time trying to protect data from unauthorised access.

Cllr Doole drew attention to the outstanding Priority level '1' recommendations in the audit report which J Worts was able to inform the committee had been have been dealt with but he would come back to members with further details.

Cllr Adshead raised the matter of deactivating mail forwarding and the problems this causes for those who access their information on mobile devices. He suggested that instead of laptops councillors have encrypted tablets or smartphones. J Worts clarified that the auto forwarding ban is on everything except GCSX accounts. He explained that encryption of phones and laptops was difficult in the past but has become easier and is being considered for the future.

Cllr Harris suggested that the adoption of a dual password type solution should be considered as this might address the access difficulties of 'bring your own device'.

Action:

J Worts: Priority level '1' recommendations - to provide further details.

76. EXTERNAL AUDIT REPORTS

In the absence of representatives for the external auditors J Deane introduced what he described a 'good news' items.

There were three areas for certification set out in the report;

- Housing and Council Tax Benefits subsidy;
- NNDR; and
- Pooling of Housing Capital receipts

These had all been dealt with satisfactorily and resolved before the accounts were submitted, leading to an unqualified audit for the first time in many years. This is a significant achievement for the council and testament to the work put in to improve this process.

Cllr Harris drew attention to the 'almost material' 76k underestimate on NNDR and asked - what measures are in place to monitor and control this.

J Deane pointed out that this is 0.1% of the total figure and not significant compared to the overall rate. Cllr Taylor added that no qualification letter has been issued and it was amended by DBC before the accounts went submitted.

Cllr Harris followed this up with an enquiry if the amount would have been noticed without the auditors picking it up. J Deane accepted that it might not have come to light but taken in consideration within government guidelines it would be an acceptable degree of error

The improvement in DBC accounting practices has meant that our fees for external audit have been reduced by half.

The committee then considered the Annual Audit Letter and agreed its positive conclusions are good news.

77. INTERNAL AUDIT REPORTS

Internal Audit Progress Report

J Clayden of Mazars (the new name for Deloitte & Touche: Internal Audit) submitted the Progress Report for the committee to consider.

He began with the three final reports issued since the last committee and summed them up as :

- Treasury Management (Evaluation assurance: **Full**. Testing assurance: **Full**)
- Payroll and Pension Administration (Evaluation assurance: **Full**. Testing assurance: **Substantial**)
- Council Tax (Evaluation assurance: **Full**. Testing assurance: **Substantial**)

J Clayden then went on to outline three other audits commenced since the last meeting and 4 scheduled audits planned to commence later in the year.

He outlined the Follow-up recommendations of which, there were no outstanding Priority One issues (there were six identified since the last meeting, but all have been addressed and dealt with) and the others have been or are being worked through.

Cllr W Wyatt-Lowe asked if the spare ten days scheduled audit on strategic risks would be required? If not, are these days likely to be needed on anything else? He was informed that nothing is scheduled for these days at present.

In the area of Payroll and Pensions, Cllr Harris asked for some clarification on the implementation of recommendations regarding 'auto enrolled pension schemes' – he asked if the Council had to implement these and if so 'are we on track to do so. J Deane explained that we are covered by the legislation and have to participate in these schemes but this causes no issues and coverage has been budgeted for.

Cllr Harris then examined the provision of Payroll Performance Reports from the providers, Aylesbury Vale DC – he was anxious to confirm that everything is correct and that we are able to monitor the performance of the contract.

J Deane advised that he expects the reports to measure and highlight any errors (particularly over-payments). However, up until now the implementation of the new payroll process has hampered reporting but now AVDC are on track and we should get the reports on a more regular basis. This has been highlighted with AVDC as an area for improvement and it is not so detrimental to warrant ending the contract.

The meeting then moved on to issues raised by the Council Tax report. Members were interested to know how the council protects itself against misuse of Single Person Discounts. James Deane was able to assure members that using the information provided by the claimant confirmation of a valid application is confirmed from available sources and by comparing centralised databases. We do everything practicable and reasonable in line with government guidelines to validate claims.

78. WORK PROGRAMME

The committee went through the proposed work programme for the remainder of the year.

Resolved:

That the Work Programme for the Audit Committee be approved.

The meeting ended at 8.20 pm

APPENDIX B

AUDIT COMMITTEE: Work Programme 2013-14 / 14-15

MEETING DATE	DEADLINE TO MONITORING OFFICER	DEADLINE TO MEMBER SUPPORT	ITEMS:	WHO RESPONSIBLE
30 April 2014	16 April 2014	22 April 2014	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
2014/15				
17 June 2014	5 June 2014	9 June 2014		
30 July 2014	16 July 2014	21 July 2014		
30 Sept 2014	17 Sept 2014	22 Sept 2014		
17 Dec 2014	3 Dec 2014	8 Dec 2014		
11 Feb 2015	28 Jan 2015	2 Feb 2015		
7 April 2015	16 March 2015	20 March 2015		

