

Audit Agenda



Wednesday 20 September 2017 at 7.30 pm

Conference Room 2 - The Forum

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.

Membership

Councillor Brown
Councillor Douris
Councillor McLean

Councillor Taylor (Chair)
Councillor Tindall
Councillor W Wyatt-Lowe

Substitute Members:

Councillors G Adshead, Anderson, England, Link and Ransley

For further information, please contact Jim Doyle (jim.doyle@dacorum.gov.uk).

AGENDA

- (a) Audit Committee - 19-7-17 - Final Minutes (Pages 2 - 4)

Agenda Item 3a

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

19 JULY 2017

Present:

Councillors: Taylor (Chairman) McLean
Brown Tindall
Douris

Officers: J Deane Corporate Director – Finance & Operations
D Skinner Assistant Director (Finance & Resources)
R Smyth Assistant Director (Performance & Projects)
B Trueman Group Manager – Technology and Digital Transformation
L Warden Group Manager – Tenants and Leaseholders
J Doyle Group Manager - Democratic Services

Others: S Knowles Mazars
S Ironmonger Grant Thornton

The meeting began at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Elliot and W Wyatt-Lowe.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES AND ACTIONS (Agenda Item 3)

The minutes of the meeting held on 28 June 2017 were agreed by the members present and signed by the Chairman.

There were no outstanding actions to discuss.

4. PUBLIC PARTICIPATION (Agenda Item 4)

None.

**5. STATEMENT OF ACCOUNTS - UPDATE
EXTERNAL AUDIT PROGRESS REPORT
AUDIT FUNDING (Agenda Items 5, 6 and 7)**

The Chair introduced these three items, which he intended to take together in a brief report from S Ironmonger of Grant Thornton, who he thanked for attending the meeting to cover anything that might arise from the update report. S Ironmonger gave a brief update on the progress of the audit of the Statement of Accounts, which is proceeding to schedule, with no obvious issues arising at this time.

Outcome:

The current progress on the annual audit and the Statement of Accounts was noted.

6. INTERNAL AUDIT PROGRESS REPORT (ITEM 8)

The Internal Auditor from Mazars introduced the item and S Knowles (SK) took the committee through the covering report. She drew attention to the three reports on the agenda; two of which are scheduled audits of individual services and the third was an assurance review of the Leisure Services Procurement process.

She highlighted the table of 'Follow up' work on earlier recommendations and pointed out that the recommendation on CIL is due for implementation in the week after the report was produced and that it is in hand. In addition the outstanding recommendations on NNDR and Housing Support have now been implemented.

Councillor Douris asked if there was any reason for the delay in production of the 'off-payroll engagement' report and was reassured that the delay was simply a re-scheduling and that the report will be produced soon.

SK then dealt with the audit of **Housing Benefit and Council Tax Support**.

(Evaluation assurance: **Full**. Testing assurance: **Substantial**)

The report resulted in one Priority 2 recommendation and one Priority 3 recommendation that should not cause the Council any cause for concern.

Cllr Tindall expressed some concern at the delays being caused by the transfer of information on forms between different elements and teams in housing as identified on page 23 of the report. L Warden (LW), Group Manager, Tenants and Leaseholders, responded that work is underway to identify what exactly is happening to delay the transfer of information. The process is being reviewed to try and cut out some of the steps which are causing delays. In addition the teams are now date stamping all actions to identify the point where the delay occurs. Cllr Tindall suggested a flow chart or schematic that sets out the various functions could be helpful. LW suggested that part of the problem is that the systems being used in Rebates cannot 'talk' directly to Orchard and that we are considering developing the means for the systems to communicate. She added that this is one of the issues being discussed with ICT to identify the best approach to a solution. R Smyth (RS), Assistant Director (Performance & Projects) and B Trueman, Group Manager – Technology and Digital Transformation, both assured the councillors that the council's 'application estate' is being reviewed and compatibility is a huge factor in the commissioning process. A road-map has been developed to address just the type of issue highlighted by this audit. Councillor McLean asked if it is our policy to buy-in or self-develop applications and systems. BT replied that it is partly both; we attempt to buy standard technology that we can then 'tweak' to fit our needs e.g. Microsoft Dynamics'.

Councillor Douris again suggested that audit recommendations ought to replace 'should' with 'must' to lend them weight. SK advised that their view is that they recommend improvement but will not compel officers. It was the view of the committee members that they will interpret 'should' as 'must'.

Councillor Tindall then moved on to the matter of collection of outstanding arrears dealt with on page 24 of the report. LW advised that we have a designated Income Office who focus on pursuing smaller tenant arrears. Strenuous efforts are made to retrieve what is owed but sometimes the resources required to retrieve the payment do not make it worthwhile. J Deane supported this point and informed the committee that this would be the form part of the bad debt provision which does reflect the current position for the council.

Internal Audit then moved on to the **Leisure Services Procurement Assurance Review** which SK summarised as indicating that the measures taken by the council were adequate and what was done was correct.

Councillor Tindall was somewhat concerned that the information and paperwork examined by the auditors do not accompany the report. JD advised that they are available for the members to scrutinise but that the aim of this review was to assure members that the correct processes are being followed. RS added that all the paperwork and reports are available in Cabinet reports and the contract is being closely supervised by the Portfolio Holder for Residents and Corporate Services. RS and Councillor Tindall agreed to look at these together.

The Chair summarised the debate as: acknowledgement that we have carried out a retrospective assessment affirming that we have correctly applied and carried out the processes involved in the procurement.

The committee then dealt with the audit of **Cyber Essentials**.

(Evaluation assurance: **Full**. Testing assurance: **Substantial**)

The meeting began by looking at the timing of 'updates'; is there a schedule for this tasks; and asked if there was a delay in updates being applied. BT responded that updates usually require a re-boot of the system and these are collected together and applied in one go to keep disruption to a minimum. He added that this is a 'practice' more than a written policy. However in line management and operational terms we are covering all the areas and tasks required. RS added that PSN compliance will test the effectiveness of our procedures and practices.

Councillor Tindall felt this may mean that the work depends on officers' knowledge and experience; behaviour and practices but it should still be documented so there is a clear line of responsibilities should any officer leave. BT agreed that the practices should be written down, recorded and monitored.

Resolved:

That the report and the opinion of Internal Audit be noted.

7. AUDIT COMMITTEE WORK PROGRAMME (ITEM 9)

The committee considered the work programme for 2017/18.

Resolved:

That the work programme be noted with the following changes:

September 2017 meeting

- Statement of Accounts 2016/17
- Information Governance

The meeting ended at 20.20 pm