

# Audit Agenda



Wednesday 22 November 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 or [member.support@dacorum.gov.uk](mailto:member.support@dacorum.gov.uk)

## AGENDA

- (a) Minutes - 20 September 2017 (Pages 2 - 4)

# Agenda Item 3a

## DACORUM BOROUGH COUNCIL

### AUDIT COMMITTEE MINUTES

20 SEPTEMBER 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)  
Y Krishnan Assistant Accountant (Regulatory and Financial Accounting)  
P Mehta Senior Financial Accountant (Team Leader)  
J Doyle Group Manager - Democratic Services

Also Attended: Councillor G Elliot, Portfolio Holder for Finance & Resources

Others: A Conlan Grant Thornton

The meeting began at 7.30 pm

#### **8 APOLOGY FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor W Wyatt-Lowe.

#### **9. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **10. MINUTES AND ACTIONS (Agenda Item 3)**

The minutes of the meeting held on 19 July 2017 were agreed by the members present and signed by the Chairman.

There were no outstanding actions to discuss.

#### **11. PUBLIC PARTICIPATION (Agenda Item 4)**

None.

#### **12. STRATEGIC RISK REGISTER (Agenda Item 5)**

J Deane, Corporate Director (Finance and Operations) (JD) introduced the item which provided detail on the Quarter 1 update of the Strategic Risk Register. There were no changes to the overall ratings.

There followed some discussion on the format for reporting on the Strategic Risk Register with Councillor Tindall suggesting that, rather than bring the whole document, simply report exceptions. However, the members of the committee agreed that it was important for them to see the comments and officer sign off!

Councillor Douris moved on to item C5, the reference to reviews happening 'periodically' and asked how often this might happen. Councillor Tindall also asked if the members of the committee should assume periodic reviews on all matters. J Deane agreed that it would be more helpful and accurate to state the length of the review period. He then confirmed for Councillor Douris that the Business Plan was agreed by Cabinet in 2013 and then reviewed every year since.

### **13. STATEMENT OF ACCOUNTS 2016/17 LETTER OF REPRESENTATION (Agenda Items 6, 7 and 8)**

J Deane, Corporate Director (Finance and Operations) introduced the item which contained a good set of accounts that had been reviewed by the Auditors. He then went on to thank the auditors for their contribution and the DBC Finance Team for their work.

D Skinner, Assistant Director (Finance & Resources) (DS) then went through the various papers and pointed out that those presented tonight contained no material changes from those submitted to the auditors for assessment in June. However there was one technical adjustment (to 'note 40') dealing with the valuation basis but that this had no material effect on the accounts.

He advised the committee that, if satisfied, they should approve the 'Letter of Representation'.

A Conlan of Grant Thornton advised that the messages implied in the accounts are all positive and he anticipated the report of an unqualified set of accounts by the end of the week. He drew attention to the risks highlighted in the accounts and the mitigation identified in the audit plan. He listed the various elements of the accounts and advised that no errors had been found. Occasions for potential management overrides were considered and it was reported that none were identified and no errors made. The various estimates included in the accounts were considered to be based on reasonable assumptions. He finished with a review of the Value for Money opinion as set out on page 145 of the report.

#### Resolved

1. That the Statement of Accounts 2016/17 is approved on behalf of the Council.
2. That, in the capacity of those charged with governance and having considered the External Auditor's Audit Findings report, the Letter of Representation as attached at Appendix B of the report to the committee is approved.

### **14. INTERNAL AUDIT PROGRESS REPORT (ITEMS 9 and 10)**

The committee considered the report from the Internal Auditor, Mazars updating them on progress with the audits being carried out; and the management responses, including recommendations made by the auditors implemented; as set out in pages 4 and 5 of the report. They drew attention to those still outstanding but expect these to have reduced considerably by the end of September.

Councillor Taylor thanked Mazars for their work and reiterated his view that they are an essential contributor to DBC achieving and maintaining a good standard of service and the production of the accounts.

The committee then considered Mazar's reports on two areas of Council operations.

The first of these was the audit of **Customer Relationship Management system**.

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

The report resulted in one Priority 2 recommendation and one Priority 3 recommendation.

CRM is to be re-incorporated in house in January 2018 and the completion date for the auditor's recommendations has been moved until then.

Councillor Douris sought some clarification on the auditor recommendations regarding 'generic passwords'. Councillor Douris was concerned that individual password protected areas could result in no access in an emergency. R Smyth, Assistant Director (Performance & Projects)(RS) responded that we are doing all we can to eradicate the use of generic passwords as we need to prevent multiple logins that cannot be traced or attributed. However the proposed new arrangements would assure that we continue to maintain control through different levels of access.

Councillor Douris stressed the importance of good CRM to the council and asked for reassurance that we would have the transfer staff and systems in January to ensure a seamless transition. RS advised that there will be an overlap of the systems and the Northgate version would not be turned off until the DBC version was operating fully. Microsoft Dynamics would form the basis of the new system and would be supported by a dedicated development manager.

The next Internal Audit report dealt with **Off Payroll Engagements**

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

The report resulted in one Priority 3 recommendation which had been agreed with the management of the section and would be implemented in a few months.

Resolved:

That the report and the opinions/recommendations of Internal Audit are noted.

## **15. AUDIT COMMITTEE WORK PROGRAMME (ITEM 11)**

The committee considered the work programme for 2017/18.

Resolved:

That the work programme be noted.

The meeting ended at 20.18 pm