

Audit Agenda



Wednesday 28 March 2018 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@dacorum.gov.uk.

AGENDA

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Agenda Item 3a

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

7 FEBRUARY 2018

Present:

Councillors: Taylor (Chairman) McLean
Anderson W Wyatt-Lowe

Officers: J Deane Corporate Director – Finance & Operations
R Smyth Assistant Director (Performance & Projects)
M Kelly Benefit Processing Team Leader
C Baker Group Manager (Revenues, Benefits & Fraud)
A Care COMMUNITY PARTNERSHIPS TEAM LEADER
J Doyle Group Manager - Democratic Services

Others:

M Towler Mazars
S Ironmonger Grant Thornton
A Conlan Grant Thornton

The meeting began at 7.30 pm

25 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Brown, Douris, Elliot, England, Tindall, and S Knowles (Mazars).

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. MINUTES AND ACTIONS (Agenda Item 3)

The minutes of the meeting held on 22 November 2017 were agreed by the members present and signed by the Chairman.

28. PUBLIC PARTICIPATION (Agenda Item 4)

None.

29. STRATEGIC RISK REGISTER – QUARTER 3 (Agenda Item 5)

J Deane introduced the item saying there were a few minor alterations to the Register, with the scores remaining unchanged.

His team have taken on board comments from the Audit committee in the way the Register is presented and a full refresh of the register and its presentation will take place in the new financial year.

Councillor Taylor asked if the recent collapse of Carillion affected any of DBC's business or contracts. J Deane informed the committee that our contracts had been examined (e.g. with Osbourne, our biggest contractor in the private sector) and no issues were discovered. The facilities contract with Interserve was examined and they have not suffered any exposure but all contracts would be monitored to ensure DBC is not exposed to too great a risk.

Councillor W Wyatt-Lowe raised the issue of Councillors being registered as data controllers due to their handling of data/information as part of their role. He advised that the county Council is currently making arrangements to register its councillors and suggested that DBC do the same. Councillor Taylor was able to advise the councillor that the matter is in hand and being dealt with by J Worts, Information Security Team Leader, as part of his review of information handling and the imminent introduction of GDPR. Cllr WWL agreed to send details of the County scheme to J Worts and to copy in the Monitoring Officer, M Brookes.

He moved on to the mention of the new General Data Protection Rules coming into force in 2018 and informed the meeting that a briefing will be arranged to outline and explain the implications to councillors.

30. PSAA – CERTIFICATION LETTER (Agenda Items 6)

A Conlon (AC) of Grant Thornton introduced the Public Sector Audit Appointments letter setting out their findings regarding the application of the Housing Benefit subsidy: highlighting accurate and timely claims handling and finding no errors requiring amendment. He thanked S Potton, Revenues & Benefits Support Team Leader and his team for their assistance.

The letter also set out the fee for this service.

Resolved:

That the letter be noted.

31. EXTERNAL AUDIT PLAN 17/18 (Agenda Item 7)

S Ironmonger (SI) of Grant Thornton introduced the plan and updated the committee of the scope and timing of the statutory audit. She took the committee through the five main areas of activity they will examine.

She drew attention to the early 31 July deadline for the production and publication of the accounts and the tight timescales involved.

Cllr Taylor asked if any issues had been encountered or if the auditors had any concerns and was assured that the audit so far has not encountered any omissions.

Cllr W Wyatt-Lowe enquired if DBC's finance section had the necessary resources to complete the audit on time? SI replied that their experience was that DBC has a history of successfully completed audits and achieving their targets. A short discussion then took place on the implications of failing to complete on time; qualified accounts and being named on the published lists.

Outcome:

The points raised by the External Auditor were noted and they were thanked for the service they provide.

32 INTERNAL AUDIT PROGRESS REPORT (Agenda Item 8)

The committee considered the report from the Internal Auditor, Mazars - MT updating them on progress with the audits being carried out; and the management responses, including recommendations implemented. In his opinion the follow-up and implementation of their recommendations is mostly good. He then went on to deal with the audits completed and included in the agenda.

33 INTERNAL AUDIT SERVICE REPORTS (Agenda Item 9)

The committee first considered the Mazars report on the audit of **Community Contracts**.
(Evaluation assurance: **Full**. Testing assurance: **Substantial**)

The report resulted in one Priority 2 recommendation on Contractors Performance Management – meeting records.

Cllr W Wyatt-Lowe drew attention to the Reducing Social Isolation contract and asked what sources were used to provide the information/data on which service planning decisions are based. A Clare (AC) informed the committee that the data is collected by Age concern, as part of their schemes and activities. Cllr W Wyatt-Lowe asked how we know Age Concern is doing a good job and collection pertinent details. AC responded that we use a number of agencies to cross-check and verify data. R Smyth added that in developing the contract we base our targets on a good deal of investigation and collected data. We monitor the targets set and check that the agency is doing what we ask of them. Cllr W Wyatt-Lowe suggested that the Council's lack of expertise in this area means we are depending on an ex-provider to gauge the effectiveness of the contract and he mentioned the parallel with similar claims made regarding the recently allocated Leisure Contract. RS responded that we have accumulated masses of data; we can bring in the expertise needed to assess the information and in addition we utilise HCC database to examine risk and mitigate against it. Cllr Anderson informed the committee that as a trustee of the Centre in the Park he could vouch for the rigour of the data / information gathering process. Cllr McLean asked what might be considered a KPI for Age Concern and was informed it may include something like the number and attendance at tea and chat clubs.

The committee next considered the Mazars report on the audit of **NNDR**.
(Evaluation assurance: **Full**. Testing assurance: **Full**)

They were informed that in the case of this audit everything had been followed up and all recommendations responded to in a positive manner. C Baker, Group Manager (Revenues, Benefits & Fraud) was pleased with the result and noted the fruitful relationship they have developed with the auditors.

Cllr Taylor quoted S Knowles who has previously said that they had never given a Full/Full Evaluation and went on to congratulate the Revenue and Benefits Team for achieving the first ever recorded.

The committee then went on to the Mazars report on the audit of **Council Tax**.
(Evaluation assurance: **Full**. Testing assurance: **Full**)

The Council Tax team were congratulated on the Evaluation and Testing Full/Substantial which Mazars put down to the way they dealt with Historical debts. Once again Cllr Taylor asked that the Managers and staff concerned be praised for their efforts and attaining this excellent result.

Resolved:

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

34. EXCLUSION OF THE PUBLIC

Resolved:

That, under section 100A(4) of the Local Government Act 1972, the public be excluded during the items 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 these items there would be disclosure to them of exempt information relating to the financial and business affairs of the Council or of any particular person, (including the authority holding that information) (Minutes 35 and 36).

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3 and 5.

35 INTERNAL AUDIT SERVICE REPORTS (Agenda Item 9 Cont'd)

The committee considered the confidential elements of the Mazars report on the audit of **Housing Benefit and Council Tax Support**.
(Evaluation assurance: **Full**. Testing assurance: **Substantial**)

This report contained one Priority Two recommendation which C Baker informed the committee had been implemented.

36 ANNUAL REVIEW OF RISK BASED VERIFICATION 2018 (Agenda Item 13)

The committee carried out the annual review of the effectiveness of Risk Based Verification including any impact on fraudulent claims and considered the Risk Based Verification Policy 2018.

Resolved:

That use of the Risk Based Verification (RBV) process continues during 2018/19 in line with the proposed changes to the policy considered by the committee.

37. AUDIT COMMITTEE WORK PROGRAMME (Agenda Item 10)

The committee moved back into open session and considered the work programme for 2017/18.

Resolved:

That the work programme be noted.

The meeting ended at 20.18 pm

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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