

MINUTES

AUDIT

28 MARCH 2018

Present:

Councillors: Taylor (Chairman) McLean
 Douris Tindall

Councillor Elliot, Portfolio Holder for Finance & Resources.

Officers: N Howcutt Assistant Director – Finance & Resources
 N Beresford Strategic Housing Group Manager
 T Vause Strategic Housing Team Leader (Property)
 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

38 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Brown, W Wyatt-Lowe, and S Knowles (Mazars).

39 DECLARATIONS OF INTEREST

None

40 MINUTES AND ACTIONS

The minutes of the meeting held on 7 February 2018 were agreed by the members present and signed by the Chairman.

41 AUDIT - 7 FEBRUARY 2018 - MINUTES

42 PUBLIC PARTICIPATION

None

43 DACORUM AUDIT COMMITTEE PROGRESS REPORT - 28 MARCH 2018

A Conlan of Grant Thornton introduced the item, informing the committee that the early interim investigations and early audit tests had been carried out in accordance with the Audit Plan. He was pleased to report that so far no issues had been identified. At the moment months 1 to 9 are being tested.

He then moved on to the Value For Money Risk Assessment that has been carried out and some risk identified around Medium Term Financial Planning, mainly arising out of the challenges surrounding the Efficiency Savings Gap.

Finally he took the committee through the sector update section of the report.

Cllr Tindall drew attention to the general local authorities' figures set out in the report and asked if there is a set of figures specific to Dacorum. N Howcutt responded that the MTFS and budget report contain stats relevant to Dacorum and that we have a reasonably good idea of where we come in relation to other authorities, and in particular other district authorities. In general Dacorum has a high income proportional to other DA's and low level of need so in financial terms we may be hit harder in comparison to other authorities, by future changes. Cllr Tindall went on to suggest that to meet our savings targets would require £1.25m over the next two years. N Howcutt stressed that the savings position is under control and the auditor's report should not be seen as a specific warning to Dacorum.

Cllr Douris observed that we appear to have a 4 year budget Gap and we have a phased resilience budget which should address the issue. He went on to say we are coming to the last year of the government four year plan and asked if anything has been received to suggest that there is another 4 year plan in the offing. N Howcutt responded that nothing has been received though DBC is utilising a list of indicators to try and predict future funding levels..

Cllr Douris then asked the auditors if there had been any evidence of the council's work provision/position deteriorating and was informed that to date there is no evidence and the council is 'holding steady'. In this council's case holding steady is adequate. Cllr Douris asked if the auditors knew of any small step that might be taken to bring improvement. N Howcutt was of the opinion that this council has set quite a high bar but will always continue to seek ways to improve.

Cllr Tindall then raised the issue of business rates and the council's current terms and conditions perhaps affecting the take up of premises and local businesses. N Howcutt stated rates are set nationally and we are awaiting the government suggesting a national scheme.

Cllr Taylor summed up by saying we know the possible pitfalls ahead; the VFM issue must be addressed; and DBC will seek ways to continue improvement.

Outcome:

The update presented by the External Auditor was noted and they were thanked for the service they provide.

M Towler of Mazars introduced the plan saying it would usually have been through the DBC Management Team at this point but has been a little delayed this year. It will however be on the agenda for the next meeting of the Management Team.

He gave a short summary of the main elements of the plan, concentration on key financials, and the areas of focus for next year. The key financials will be cross referenced against possible risks and the Risk Register to enable members to monitor progress and areas of concern in the audits spread across the year.

Outcome:

The elements of the draft plan were agreed by the Committee and the Internal Auditor.

45 DBC - INTERNAL AUDIT PROGRESS REPORT - MARCH 2018

The committee considered the report from the Internal Auditor, Mazars - MT updating them that 94% of audits have been carried out and responded to by the managers. There is still one audit to be completed. There are no issues on the Management responses and follow ups and the one outstanding, 'partially implemented' one will be actioned soon.

46 INTERNAL AUDIT - FINAL REPORTS

The committee first considered the Mazars report on the audit of **Capital Programme 2017/18**

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

The report resulted in two Priority 3 recommendations on Policies and Procedures-Training; and Financial updates from Project Management Boards.

Cllr Tindall was concerned for the fourth budget manager who did not appear to be content with the level of support they were receiving. M Towler explained that there is no lack of support and that everyone's needs are different some being more receptive and some requiring additional levels of training. Cllr Douris asked if the manager had now received the requested training. M Howcutt explained that a new training scheme had been introduced to accommodate the manager.

The committee next considered the Mazars report on the audit of **Core Financial Systems**.

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

The audit identified one priority 2 recommendation regarding the implementation of the approval of credit notes. This recommendation has been responded to and the recommendation implemented.

Cllr Tindall asked for an update on the partially implemented recommendation from the 2016/17 audit. He was informed that in implementing Recommendation 1 for the current audit the team had addressed the original recommendation.

Finally the committee next considered the Mazars report on the audit of **Empty Properties**.

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

The audit identified one Priority 2 recommendation which the manager, N Beresford assured the committee was being addressed as part of the review currently being undertaken and expected to be complete by June 2018.

Resolved:

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

47 AUDIT COMMITTEE- 28 - 3 -18 WORK PROGRAMME

The committee considered the work programme for 2017/18.

The outstanding reports on CIL, Hsg Benefits, and Benefits realisation should roll over to the next agenda.

The members were advised that the 25 July meeting would be for 'signing off' the Accounts.

Resolved:

1. That a revised work programme for 2018/19 be produced for the May meeting of the committee.
2. That the outstanding reports on CIL, Hsg Benefits, and Benefits realisation should roll over to the next agenda

The Meeting ended at 8.28 pm