

MINUTES

AUDIT

29 JULY 2015

Present:

Members:

Councillors: Taylor (Chairman)
Douris
Tindall
Brown
Elliot

Officers:

Cabinet Support Members

The meeting began at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councilors Barnes, W Wyatt-Lowe and G. Adshead. Cllr Miss Brown substituted for Councilor G. Adshead.

2 DECLARATIONS OF INTEREST

Please see below

3 MINUTES AND ACTIONS

The minutes of the meeting on 29 June 2015 were agreed by the Councillors present and signed by the Chairman

4 PUBLIC PARTICIPATION

None

5 LG OMBUDSMAN LETTER

S Baker presented the report and a copy of the Local Government Ombudsman annual review letter 2015 to Members of the Committee for consideration.

S Baker stated the following:

Members will find appended to this report the Local Government Ombudsman's Annual Review Letter for 2015 and attached to the letter is an annual summary

of statistics on the complaints made to the Ombudsman about this Council for the year ended 31 March 2015. The information provided is intended to help the Council assess its performance but the LGO recognises that just providing the numbers doesn't by itself give a clear picture of how well the Council responds to complaints. In future, the annual letter will focus less on the total numbers and more on the outcomes.

One of the purposes of the annual letter is to help ensure that learning from complaints informs scrutiny at the local level and the LGO has produced a workbook for councillors which explains how they can support their constituents with their complaints and identify opportunities for using complaints data as part of the scrutiny process. The annual letter contains a link to the workbook and the Ombudsman encourages members to make use of that resource.

As well as noting the report it is suggested that Members may want to consider recommending that the complaints referred to the LGO be reported to the relevant Overview and Scrutiny Committee so that any learning from them can inform the scrutiny committee of the services falling within their remit.

To put the numbers for Dacorum into context a number of tables are attached which show comparisons in terms of the numbers of complaints and the service categories as against the other district councils in Hertfordshire, and other comparable authorities in terms of population and size of area outside the county. However, although DBC's performance in terms of LGO complaints appears to be average, the numbers are so small that it is difficult to draw firm conclusions.

S Baker was happy to take questions on the report.

Cllr Tindall referred to paragraph 3 on page 8 re passing on to the appropriate OSC related issues. He believes we should take action on this with the OSC discussing and forwarding input regarding their conclusions. Cllr Taylor seconded this, the Audit Committee agreed and S Baker concurred.

Cllr Douris made a comment regarding paperless meetings. Some people may need paper copies and the page numbering on the paper copies does not match the iPad numbering which causes confusion. There needs to be some sort of consistency with delivery. Cllr Douris also asked that a snapshot of some of the complaints come to the Audit Committee for review. S Baker noted this and also confirmed that relevant comments would be given to appropriate OSC's

6 AUDIT RESULTS REPORT

M Hodgson presented the audit results report which only came out yesterday and summarised the findings from the 2014/2015 audit which is substantially complete. It included the messages arising from the audit of the financial statements and the result of the work undertaken to assess arrangements to secure value for money in the use of resources. M Hodgson introduced to the Committee his colleagues Hannah Ormston and Steve Bladen.

Overall, M Hodgson was happy with the audit and informed the committee that

he will only be here until November when his term of seven years expires. He also gave his thanks to James Dean and Richard Baker and asked Members for any questions.

Cllr Taylor put forward a comment for Mark Hodgson and James Deane, about a saving of around £2.6million in the next two years, which will be testing but the figures indicate that we have a good solid base to deal with the issue.

James replied yes, this year and next will be similar to previous years and will continue to be reviewed, particularly by the budget review group, which is scheduled for next week. Following that meeting they will go away and look at ways of closing the gaps with further reviews at subsequent meetings throughout the year.

M Hodgson agreed we need a sound and robust approach to savings and he will be putting this in his report.

7

DEFERRED INTERNAL AUDIT - PROCUREMENT

Cllr Douris had been advised by the Assistant Director to declare a prejudicial interest in item 7 as his company provides small services to DBC.

S Knowles presented the report detailing the five priority recommendations and explaining the reasoning behind the priority level each was given.

B Hosier referred to the priority 1 item and reassured Members that expenditure is authorised by the budget holder at the appropriate level. Although the report identified there may be some confusion with the tendering process, it is all appropriately signed off. Further, it is a corporate responsibility and as a result any non-compliance will be reported to CMT on a monthly basis which will improve the compliance requirements. He was happy to take questions on this.

Cllr Taylor asked if Mazars will be working with Ben to ensure processes and procedures are in place and working correctly.

S Knowles said yes, they track recommendations and also go back and revisit for auditing and follow up purposes.

Cllr Tindall made reference to recommendation 4 page 27 on the iPad. Will you sample it again to see if the trend continues?

S Knowles said yes they can do this and they will be following up the recommendation anyway together with self-testing as it is a priority 1 referral.

B Hosier added to that by saying, the procurement team will be undertaking their own self-testing as well and liaising with senior officers as appropriate.

8

PROGRESS REPORT - INTERNAL AUDIT

Cllr Tindall spotted a discrepancy in the figures p44 in the procurement part the last sentence of the first paragraph.

S Knowles explained the different definitions which are on page 3 of the report.

S Knowles added that the first page of the progress report summarizes some of the work which they have done since the plan was approved at the last Audit Committee. They issued a draft report concerning regeneration and have now received responses from management and will be issuing a final report in the next few weeks.

Cllr Douris referred to page 45 appendix 3 Customer Services together with three recommendations that are not yet due. Could someone give reassurance about that?

S Baker to follow up and email Members with the answers

9 **2014-15 AUDITED STATEMENT OF ACCOUNTS AND THE COUNCIL'S LETTER OF REPRESENTATION TO THE EXTERNAL AUDITORS**

J Deane presented this report saying there is no material change. This came to the committee in June, M Hodgson gave a favourable opinion and confirmed there are no changes since the June meeting. J Deane thanked the team as it was a whole team effort. J Deane also wanted to thank Katy Kent who joined DBC Finance Team two months ago in circumstances when people were leaving, being on her own at a difficult time but handled the situation with the external auditors exceptionally well and formally recorded his praise and thanks for that excellence.

J Deane was happy to take questions on the report.

Cllr Taylor endorsed J Deane's commendations.

Cllr Taylor asked the Committee Members if they agree with the letter of representation.

Cllrs agreed the recommendations and agreed for the letter to be signed.

Cllr Tindall said that on page 58 and 59 there are two paragraphs the same apart from one sentence, is that correct?

R Baker confirmed that both were correct and accurate, one relating to expenditure and the other to income.

Cllr Douris referred to iPad page 60 re revenue contribution to capital being under budget. The second bullet point is not under budget but a slippage, is there anyway of differentiating the difference.

R Baker said it is because in the capital programme it would become a slippage but not on revenues.

10 **FINANCIAL REGULATIONS UPDATE**

J Deane presented this report. The purpose is to provide the Audit Committee with an opportunity to scrutinise the updated Financial Regulations. There are three proposed updates, items 4, 5 and 6 on the agenda item 10. The recommendation is that the audit committee notes the content of the report and provides feedback for cabinet to consider when recommending approval of the revised financial regulations 2015. Finance & Resources Overview and Scrutiny Committee considered the proposals at their June 2015 committee meeting, noted the changes and did not raise any further issues for cabinet to consider. The Audit Committee duly scrutinised the agenda item, had no questions of J Deane and duly noted the content of the report sending it forward to Cabinet for approval.

J Deane took the opportunity to introduced David Skinner the Assistant Director of Finance and Recourses who has been with us nigh on three months now.

11 **EXCLUSION OF THE PUBLIC**

None

12 **WORK PROGRAMME**

Agreed.

Cllr Tindall noted on the statement of accounts a reference to the Hertfordshire Police Authority. That has not existed in that name and format since 2012 and asked that it be duly corrected. (Police and Crime Commissioner) which was duly noted

Actions

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The Meeting ended at 8.30 pm