

## **MINUTES**

### **AUDIT**

**27 APRIL 2016**

**Present:**

**Members:**

**Councillors:** Taylor (Chairman)  
Barnes  
Douris  
Tindall  
W Wyatt-Lowe

**Officers:** J Deane  
D Skinner  
C Baker  
R Baker  
C Troy  
J Worts  
J Doyle (Minutes)

G Elliot Portfolio Holder for Finance &  
Resources

**Also Attendance:**

S Knowles - MAZARS  
N Harris – EY LLP  
H Ormiston – EY LLP

The meeting began at 7.30 pm

**1                    APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Adshead.

**2                    DECLARATIONS OF INTEREST**

Councillor Douris declared an interest in the items in the Internal Audit Report referring to provisions and supplies - receipts and services due to his role with one of those providing services to the Council.

Councillor Douris also declared an interest in the Internal Audit report dealing with the West Herts Crematorium business case as he is a member of the Board of governing that body.

**3**

**MINUTES AND ACTIONS**

The minutes of the meeting on 10 February were confirmed by the members present. It was pointed out that the meeting dealt with a Part 2 item and consequently, although the item was dealt with in part 1, a part 2 minute should be produced.

Councillor W Wyatt-Lowe requested that any actions or follow ups requested by the committee appear in a separate table containing a column that identifies the meetings at which the action was requested.

**4**

**PUBLIC PARTICIPATION**

None

**5**

**STRATEGIC RISK REGISTER Q3 2015/16**

Hannah Ormiston (HO) introduced this item and took the members through the various elements of the audit. She paid particular attention to the 40+ testing that was carried out on Rent Rebates and Rent Allowances due to errors that had been identified in last year's audit.

Cllr Barnes asked for clarification on how the audit was carried out.

C Baker, Group Manager (Revenues, Benefits and Fraud) and HO went through the process for testing - and what happened when an error was found - the results of testing 40 in each area (cell) that has shown an error was then extrapolated across the population – the resulting 0.02 error rate was considered to be manageable.

HO then went on to outline the progress of the audit and reported that it is on target for early publication.

**6**

**2014/15 CERTIFICATION OF CLAIMS AND RETURNS**

The committee considered the Strategic Risk Register and noted the contents.

M Gaynor – Corporate Director (Housing & Regeneration) will be attending the next meeting to deal with I3 Investment in infrastructure.

J Deane Corporate Director (Finance & Operations) suggested that in future it would be more appropriate to bring the Q4 report to committee and to miss out Q3as it has been substantially updated by the time the meeting takes place.

Cllr Tindall drew attention to the amber rating in Risk C6 and the healthy rate of employee turnover compared with that of the public sector.

Cllr Tindall then went on to request that a report on the implications of the recent Housing and Planning Bill be brought to a future meeting of the committee as soon as it is available.

Cllr Taylor returned to Risk C7 and the matter of Data protection/security. He is particularly anxious to ensure that all staff are properly trained in this area and wants members to show a lead by attending the training arranged for them on this subject. J Worts (JW) Information Security Team Leader confirmed that there have been 4 member development sessions on this subject since 2013 and that a third of members attended his last training session. Cllr Taylor congratulated the members and requested they keep up the good work.

## **7                    INTERNAL AUDIT PROGRESS REPORT - APRIL 2016**

S Knowles (SK) (Mazzars) began with a general overview of the progress against the audit plan and concluded that Internal Audit for 2015/16 was almost complete. She drew attention to Other Work underway on the Assurance Framework and its contribution to the verification of the work towards effective governance arrangements.

She confirmed that 92% of the IA recommendations for 15/16 have been actioned and that at 31 March only two areas have still to be completed.

Cllr Tindall sought and was give confirmation that the Housing Lettings report had been deferred due to fraud investigations currently underway.

The committee then went on to consider each of the Internal Audit Reports submitted on individual services.

### **Core Financial Systems**

SK began by pointing out that there are three priority 3 recommendations from this audit but this is a good result. Cllr Douris asked if it was a worry that the result was not 'full /full' and was told this is not a major concern.

As far as goods receipting was concerned, Cllr Tindall wanted to know why this had not been picked up in previous audits. R Baker was of the opinion that recent software patches may have caused the glitch and now it is picked up they have the matter in hand.

### **Budgetary Control**

No recommendations were raised as a result of this audit and the Evaluation and Testing rating was 'Full/Full'

### **NNDR**

SK took the committee through the recommendations.

On recommendation 1 High Amount Of Uncleared Historic Suspense Account Items Cllr Barnes asked if these were debit or credit? C Baker (CB) Group Manager (Revenues, Benefits and Fraud) replied that it is a credit.

Cllr Douris went on to Recommendation 2 – Failure to Update Debt Recovery Notes deadline completed and asked if the matter had been brought to the attention of the staff? He suggested this might be something we could work on with Northgate. CB was of the opinion that this is about making notes by humans and he is satisfied that the team leader is now monitoring the practice.

### **Housing Benefit and Council Tax.**

SK started by going through the recommendations.

Cllr Tindall questioned the approach of only taking a sample of 15 claims to try and assess the size of the problem. In his opinion this looks like 25% extrapolated up this is a big figure: so he wanted to know the size of the problem. CB assured the councillor that this is again a human recording issue. However, fortunately all the claims were valid and processed properly and the Auditors are happy the problem is being addressed.

Cllr W Wyatt-Lowe complemented the manager for the cooperation with the auditors and responding swiftly and effectively

### **Data security**

Cllr Taylor began by pointing out that it is apparent that the Data Security info is dependent on those who feed into the report – the matter is widely dispersed widely across the council and a full and substantial is still a good assessment.

Cllr Douris sought and was given assurance that all the deadline have been met and passed with the exception of the signs above the MFDs.

The intention is to make the refresher courses mandatory every four years.

Cllr Douris raised the issue of the time delay between pressing print and collecting the print and the possibility of breaches during this. JW pointed out that the possibility of an interruption such as the toner running out is always possible but JD added that this is addressed by the use of a pin keycode which prevents it happening. Cllr Tindall was critical of the carelessness that led to papers being found left on printers to be discovered by auditors.

Cllr W Wyatt-Lowe pondered the sequence of events that occur in an audit and the production of the management response. SK explained the process of agreeing the recommendation and actions with the manager. The result is often 'substantial' which indicates the auditors are happy with the manager's response.

Cllr Douris surmised that the only ever get to see the agreed responses and don't get the disagreements.

JD added that if we are getting managers to work with the auditors then this is progress. He assured the members that a disagreement would be brought to the committee.

Cllr Taylor was pleased to say that internal audit is now deeply embedded with managers at the council and SK added that there is an element of working together between managers and auditors.

### **Health & Safety (2015/16)**

The issue of mandatory courses possibly not being completed by all staff caused the committee members a good deal of concern. Cllr Taylor pointed out that if it is mandatory training then the instruction should say 'must' be completed. C Troy (CT), Group Manager (Regulatory Services) was able to assure members that this is being addressed.

Cllr Tindall asked if the figures of non-take up could be broken down between manual and office staff. CT pointed out that the 'high risk' staff are generally among the manual operatives and they are being given specialist training relating to their disciplines/trades.

Cllr Tindall pressed CT and asked can we show that 100% in the high risk area have been trained. CT assured the member that they are changing focus and should be able to produce more stats when the new recording system is in place.

CT concluded that the new training regimes would utilize a 'Train the trainer' approach to ensure that good practice is cascaded over the whole council.

Cllr Taylor was critical of the fact that a number of procedures not been reviewed for a substantial period of time. Some of these are significant and he drew attention to the list in the third paragraph. CT was confident that all on the list are being looked at and items such as Manual Handling and Working at Heights along with all other policies will be reviewed during 16/17.

Cllr Taylor moved on to the Risk Assessments to be presented in June to H&S ctte. CT confirmed his section are monitoring that these assessments are being completed. To monitor that the assessment has been done a new systems for reporting and prompts has been installed.

## **Member Training And Expenses**

Members requested an outline of the process for confirming and paying their travelling expenses and the Group Manager provided this.

The members went on to stress that in future the Leader of the council recommendation on councilors allowances should be made explicit in the minutes at a Council meeting to make transparent that it is a decision of the majority group so that there is documentary evidence of the group decision

The above decision and the procedure for allocating Office Equipment Expenses should be clearly stated in the members allowance scheme when it is next reviewed in the autumn of 2016.

## **8                    AUDIT COMMITTEE WORK PROGRAMME - APRIL 2016**

The members considered the Audit Committee work programme for 2015/16

Action;

Strategic Risk Register is to be added to agenda for the June meeting.

The Meeting ended at 9.00 pm