

MINUTES

AUDIT

29 JUNE 2016

Present:

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

Councillor Elliot Portfolio Holder for Finance & Resources

Officers: J Deane Corporate Director (Finance & Operations)
M Gaynor Corporate Director (Housing &
Regeneration)
D Skinner Assistant Director (Finance & Resources)
I Aisu Accountant
T Coston Member Support Officer

Also Attendance:

S Knowles MAZARS
A Britton EY LLP

The meeting began at 7.30 pm

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES AND ACTIONS

Councillor Douris noted that Councillor Tindall's name was spelt incorrectly several times throughout the minutes. The Chairman said he would ensure this was corrected.

The minutes of the meeting held on 27 April 2016 were then agreed by the members present and signed by the Chairman.

There were no outstanding actions to discuss.

4 **PUBLIC PARTICIPATION**

None.

5 **STRATEGIC RISK REGISTER**

Before the discussion commenced, the Chairman welcomed Andrew Brittain, the new external auditor. He explained that the audit committee was made up of four groups; members, officers, Internal audit and external audit, and each group was an important part of the process.

Councillor Elliot highlighted that so far we were doing well considering the recent market bank turmoil but it was likely there would have to be a few changes and these would be highlighted as soon as possible.

J Deane highlighted one change to the C5 risk relating to the number of hand arm vibration at Cupid Green; the Health and Safety Executive is undertaking a review and the increased risk would be reflected.

J Deane explained that the risk register was produced prior to the 'Leave' result and they would put in place any changes as soon as possible.

Councillor Douris said he had awareness of hand arm vibration and queried if the opportunity had not been taken to monitor individuals' usage of the equipment as the condition was a result of it. J Deane advised that since 2014 the council had strengthened the monitoring in place and Dacorum were ahead of most of councils in doing this. He said that the symptoms of hand arm vibration were not immediately obvious and progressed over time.

M Gaynor then delivered a detailed overview of I3 Investment in Infrastructure to the Committee.

Councillor W Wyatt-Lowe referred to Dacorum's ICT Policies for training new employees and queried how long it took to get individuals trained and if there was a policy on having refresher training sessions. J Deane advised that there was a set of compulsory training courses for new staff members. He was unsure of refresher courses, and how soon the courses needed to be carried out initially so he would investigate and come back to the committee.

Councillor W Wyatt-Lowe drew attention to page 19. He referred to 'Street Life' which is a social media site and asked if it was monitored as he had looked through the site and was concerned at the content relating to the council. J Deane suggested that Robert Smyth attended the next meeting as he was responsible for this risk and he could be available for members to answer any queries they may have. The committee agreed this would be helpful.

Councillor Douris asked how long CIL was set for and how easily it could be changed. M Gaynor explained it could be changed as often as they wanted but it would have to be justified by evidence and consultation and then go through a process of re-examination. He said you wouldn't want to do it more than every 2-3 years due to viability and you'd have to persuade an inspector, however you could change the 123 list fairly easily every year if required.

Councillor Douris suggested that as Dacorum was one of the earlier adopters of CIL, the charges may be slightly lighter. M Gaynor said he could circulate a document containing a comparison of CIL levels being proposed and implemented. He said we were probably lighter than areas such as London and some boroughs in the South East and explained that the levels were reflected on the area and developer but he will look in to evidence to indicate whether our levels are still suitable. Councillor Douris recalled professional advice that the levels set were broadly recommended.

Councillor Tindall asked if there was any update on the new homes bonus. J Deane explained they were still awaiting an outcome on the consultation but he expected that from the redistribution and 50% reduction we would take a hit considering we've done well from it so far. He said that they assumed the reduction could be from £3million down to £1million in the capital programme but could potentially be lower; however they could look at options for tailoring the current fully funded capital programme if that does happen.

Councillor Tindall queried the distribution of percentage of CIL that comes back to the community. M Gaynor said there wasn't a lot to spend at the moment but when there is a significant amount of money they would look at the priorities of each area.

Councillor Wyatt-Lowe asked if the Aviva site was not included in Enterprise. M Gaynor confirmed it was but was paying CIL.

Actions:

- J Deane to advise the committee about employee refresher courses for compulsory training sessions and how long into their employment would they be expected to have carried out all courses.
- Invite Robert Smyth to attend the next meeting.

Outcome:

That the content of the report was noted and the committee seek further assurance where required.

M Gaynor left the meeting at 8.25 pm.

6 STATEMENT OF ACCOUNTS

J Deane introduced the report and highlighted some key points and variances within the accounts. He then thanked Isaac for all his hard work in helping to put the accounts together for this report.

Councillor Tindall queried if the vacant posts were actually vacant or if they were struggling to fill the vacancies. J Deane explained that there was a struggle to recruit in some areas which was similar in other councils. He advised they were liaising with Herts County Council to look at solutions.

Councillor Douris queried if the struggle could be due to higher wages in the private sector. J Deane suggested that could be the case but explained that if Dacorum trained someone up they would be expected to stay in employment for at least two years.

Councillor Tindall noted the low attendance at member development sessions, in particular the sessions for CIL, Data Protection and WRAP as they are all essential for members.

The Chairman said he and the member development steering group were disappointed in the low attendance at training sessions despite advertising in members' news and emailing members several times. He said it was difficult to ensure members attend as they're not compulsory sessions.

Councillor Barnes said he found the day time and early evening sessions difficult to attend due to work commitments.

Councillor Wyatt-Lowe highlighted that the number of attendees for WRAP would change after next week due to another session being scheduled. Councillor Douris also highlighted that some councillors may have attended some of the staff WRAP sessions. The Chairman advised that this would all be taken into account when compiling a list of WRAP attendees.

Outcome:

1. That the committee reviewed the statement of accounts 2015/16 and raise any issues which will provide them with the assurance that they need to approve the Statements on behalf of the Council;
2. That the committee approved the Annual Governance Statement included in the accounts.

7 AUDIT COMMITTEE - FINAL OUTTURN

D Skinner summarised the report for the committee and welcomed any questions they may have.

Councillor Douris referred to paragraph 4.2 and queried if the figure was the accurate or if it was an estimate. D Skinner advised it was the accurate figure.

Councillor Douris referred paragraph 5.1 and queried how the £125k figure was made up as there was only expenditure details totalling £75k. D Skinner said the figure was made up of two significant amounts and various smaller amounts to total that figure which he didn't have to hand.

Councillor Wyatt-Lowe sought clarification on the process of putting the budget together for the following year. D Skinner explained they would use the previous year's budget and build in any repeat or one off events to create the budget for the following year. J Deane said he would rather see an underspend than an overspend, however he would rather see the figures balance as he wasn't happy if the budgeting was wrong using the forecast. He said they would look at the underspend and reflect it in next years budget.

Outcome:

1. That the committee reviewed the financial outturn position for 2015/16
2. That the committee approved movements on earmarked reserves

3. That the committee reviewed and approved capital slippage set out in Appendix C

8 EY DBC AUDIT PROGRESS REPORT

A Brittain introduced the report and gave a brief summary of the external audit update.

Councillor Douris queried if there was an underline concern as to why they chose not to rely on internal audit. A Brittain explained that there were no concerns but they had to look at the different ways of approach as they cannot tell the internal auditors what to do and they don't want to overlap work so they felt it would work more efficiently to not rely on internal audit but still have the ability to seek guidance from them.

Outcome:

The committee noted the report.

9 INTERNAL AUDIT ANNUAL REPORT -JUNE 2016

S Knowles gave a summary of the report and advised that it contained the overall opinion of the work carried out.

Councillor Tindall queried why one of the projects had been cancelled/deferred. S Knowles explained that the project was carried forward and required more time. D Skinner explained that the terms of reference had been drafted and they were working on the way of moving it forward as there were decisions to be made on CRM and they couldn't look at something that isn't there before looking at the current arrangements.

Councillor Douris said that the outcomes were good but he felt anxious that all appeared to be well in case there was suddenly a hiccup. S Knowles advised that a full report didn't mean there were no issues or recommendations. J Deane highlighted that so much work goes in to achieve full. Councillor Douris said it wasn't meant as a critical comment.

Outcome:

The committee noted the report.

10 AUDIT COMMITTEE WORK PROGRAMME - 2016/17

The following amendments were made to the work programme:

- Statement of Accounts to be added to the July meeting.

The Meeting ended at 9.16 pm