

**DACORUM BOROUGH COUNCIL**

**AUDIT COMMITTEE MINUTES**

**22 JUNE 2022**

**Present:**

**Councillors:** Chapman (Chairman)      Silwal  
So Mahmood                                      Symington  
Riddick    Townsend

**Officers:** C Hamilton      Chief Executive  
N Howcutt      Chief Finance Officer  
F Jump      Head of Financial Services  
B Trueman      Head of Digital  
M Rawdon      Assistant Director, People  
J Guiton      Team Leader, Community Safety and Children's Services  
T Angel      Corporate & Democratic Support Officer

**Also Attended:** Councillor Elliot, Portfolio Holder for Corporate Services

**Others:** Philip Lazenby (TIAA)

The meeting began at 7.30 pm

**1. APOLOGIES FOR ABSENCE**

Paul Cuttle and Ajya Jha (External Audit) sent their apologies.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES AND ACTIONS**

The minutes of the meeting held on 29 March 2022 were agreed by the members present and signed by the Chairman.

**4. PUBLIC PARTICIPATION**

None.

**5. EXTERNAL AUDIT UPDATE**

There was no update from External Audit.

**6. HOUSING SERVICE PERFORMANCE UPDATE**

Full details can be found in the Part 2 Minutes.

**7. INTERNAL AUDIT UPDATE**

P Lazenby noted that the overall internal audit gave a 'reasonable' opinion of the service. A breakdown of the assurance levels was provided and the majority lies within the 'reasonable area' and 2 were 'limited' assurance. Those that were 'limited' were planning enforcement and waste management. P Lazenby showed the summary of recommendations. There are governance issues where policies and procedures need to be kept up to date. A summary of progress was at page 17 and 18 of the report. 5 of the 6 substantial areas are in the financial side of activities at the Council. P Lazenby noted this was all against a backdrop of Covid as well. N Howcutt noted that some reports had been cancelled or delayed but were still going to be carried out.

Cllr Symington noted that the substantial assurances had moved from 11 to 6. This was thought to be as a result of the pandemic. P Lazenby's shortfall of 20 days has been brought forward to the new financial year. P Lazenby noted that the area that are audited more frequently always perform better. P Lazenby is keen to develop the finance areas to amend their auditing process to improve it.

All of the assurances have recommendations and mitigations. The SICA (statement of internal controls assurance) shows the progress against the old report. P Lazenby added that recommendations need to be actioned in a timely manner. The Chair added that the report highlights areas for improvement, like HR updates and the recruitment programme.

#### Safeguarding and prevention report

This is a reasonable assurance reviewing the council's self-assessment and action plan required by Hertfordshire Adult Safeguarding Board. The policy here was out of date and training was out of date for 30% of the sample looked at. For example, contractors under £75,000 don't comply with safeguarding standards.

#### Business continuity and pandemic response

This is a reasonable assurance. This looks at the overarching response to Covid-19. There are a number of recommendations. An annual disaster recovery exercise is needed with drill exercises. Staff training in IT security is also needed for remote workers.

Having backups that aren't affected by malware was presented to the SLT. There is a plan for the next 4-6 months for this.

It was confirmed that the information team leader is accountable for the remote working policy and he sits in the legal team. The progress report is still taking place in June.

#### Governance and risk management audit

This is also a reasonable assurance and looks at the managing and controls of the council's business and risk maps. There were a number of recommendations. It looked at how the corporate risk register was presented as this didn't include inherent risks or cross reference the council's objectives and the movement in risk score wasn't presented on from one quarter to the next. The review of the quarter 3 ORR for housing and finance indicated some concerns as to how risk was presented. There were risks as well related to recruitment and

retention. 2 corporate risks were selected from the CRR and it was noted there was limited alignment between the updates and the scores. P Lazenby noted that the way the risks are presented needs to be clear and transparent. The objective needs to be clear. Risks need to be evaluated fully to understand if the Council should take the risk of note. Officers are reviewing the underlying root causes of these observations.

N Howcutt added that risk management is imperative to the Council and is reflected in the reserves that the Council holds and the investment it can make. It is part of KPIs and corporate plans, which are being reviewed currently. N Howcutt noted that 'In Phase' provides a great dashboard for this. Work is needed on strategic risk review, however, everyone needs to understand their role and responsibility. Training for the audit committee and SLT will also be carried out.

Cllr Symington queried whether the corporate risk register and operational risk register are linked. N Howcutt feels they are. There are 6 strategic risks and over 40 operational risks. This is why there are scrutiny committees to cover these operational risks.

### Recruitment

The HR checklist will be updated as part of the recruitment internal audit and has now been updated. This had the lowest number of recommendations but still a reasonable assurance. The medium recommendation is in relation to temporary recruitment where the policy/framework was out of date.

## **8. STRATEGIC RISK REGISTER**

N Howcutt noted this covered 2 quarters. In terms of quarter 3, the risk of cyber-attack increased from a score of 6 to a score of 9. The strategic risk register scores have been presented to cabinet and the cyber-attack and social media risks have been picked up by Jody Nason. Jody felt the risks were inherently higher than previously noted which resulted in a higher score.

Looking at quarter 4, 2 risks have moved to 12. These are linked to the moratorium that was put on Dacorum in 2021/22. Investment comes from CIL and Section 106 payments and the moratorium has reduced that investment. In addition there are fewer affordable homes.

N Howcutt added, when questioned by Cllr Symington, that the next quarter will look at a review of strategic risks and will include the cost of living crisis, inflation, energy price increases and the war in Ukraine.

The Chair noted the content of the report. All risks linked to the moratorium had gone from orange to red. Members continue to be briefed on the moratorium regularly. N Howcutt added that the governance internal audit lists controls and mitigations. The mitigation for this is to cease the moratorium that's in place.

Outcome:

The report was noted.

## **9. WORK PROGRAMME**

N Howcutt advised that audit committee training will take place at the next meeting in July.

The audit committee in September will include the financial statements, accounts and auditor opinions.

N Howcutt and P Lazenby were thanked for their work.

The Chairman thanked everyone and closed the meeting.

The meeting ended at 8.47 pm.