

AUDIT COMMITTEE

QUESTIONS TABLE – WEDNESDAY 26 JULY

Document Title: Appendix A Strategic Risk Register Update Q4 2022-23

Page and Paragraph Number	Question	Responsible Officer	Response
General	What happens to the internal and external audit risks identified in the reports?	Head of Financial Services	These risks are identified for committee to understand the risks within the control environment. The work undertaken by internal and external audit tests the organisation's response to their risks. An assessment is given via internal audit service reports, the internal audit annual report, the auditor's opinion on the account and the external audit value for money opinion.
Page 18 row 3	Failure to do something is not a risk. Good risk descriptions contain 3 parts: cause, event, effects. Without a clear risk description, it is not possible to assess the adequacy of the evidence that the risk is being managed.	Head of Financial Services	I suggest this feedback is incorporated as part of the next refresh of the Council's strategic risks which will follow the update of the Council's corporate plan. Timescale tbc by the current administration. The current strategic risks were developed by the Council's Strategic Leadership and the previous administration and approved in February 2023. Cause and event can be highlighted in future reports; effects are captured under the consequences/ impacts section on the current register.
Page 18 first row rows 8,9,10	I cannot see which mitigating actions relate to the target likelihood and consequence values. How do we know that our mitigating actions will have the desired effect?	Head of Financial Services	Outcome of mitigating actions is captured under the section 'evidence the risk is being managed'. Mitigating actions aim to address both likelihood and consequence; this can be highlighted in future reports.
Page 18 first row, rows 8,9,10	Commercial organisations implement contract compliance trackers to ensure they meet their contractual obligations. Has the council established a legal obligations/compliance tracker?	Head of Financial Services	A corporate legal compliance tracker is being developed by Legal Services in the current year. Current statutory compliance is monitored locally at individual service level and reported within the organisation as considered appropriate.
Page 18 row 10	Audits do not deliver compliance. Apart from making sure that statutory deadlines are being met what actions are being taken to ensure compliance with statutory and legislative requirements? For example, what people, process and technology solutions have been	Head of Financial Services	Agreed- audits test compliance. Arrangements will vary dependent on service and process predicated on having employees with the correct knowledge and expertise in post and access to appropriate systems to deliver. As an example, an appropriately qualified lead technical accountant to deliver the organisation's statutory accounts,

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	setup to make sure this happens?		supported by a fit for purpose financial system and appropriate line management arrangements.
Page 19 Delivery of safe and good quality homes, row 3	The inability to manage and deliver is not a risk. Is there a danger to life and limb? Is there a risk of health and safety breaches? Without a clear risk description, it is not possible to assess the adequacy of the evidence that the risk is being managed.	Head of Financial Services	I suggest this feedback is incorporated as part of the next refresh of the Council's strategic risks which will follow the update of the Council's corporate plan. Timescale tbc by the current administration. The current strategic risks were developed by the Council's Strategic Leadership and the previous administration and approved in February 2023. Cause and event can be highlighted in future reports; effects are captured under the consequences/ impacts section on the current register. There is potential risk to human health and to health and safety obligations associated with this risk.
Page 20 Risk Name	What does CEE stand for?	Head of Financial Services	Climate and Ecological Emergency.
Page 21 Financial Resilience, row 3	"Weakening of" is not a risk. Is there a risk that we will not be able to adequately fund our HRA account as a result of increasing demand for repairs and maintenance as a result of economic pressures and the backlog of dilapidations?	Head of Financial Services	I suggest this feedback is incorporated as part of the next refresh of the Council's strategic risks which will follow the update of the Council's corporate plan. Timescale tbc by the current administration. The current strategic risks were developed by the Council's Strategic Leadership and the previous administration and approved in February 2023. Rising costs and demand both represent a financial risk to the HRA.
Page 24 Place Shaping & Regeneration, row 3	Failure to deliver is not a risk. What are the ambitions? What is the risk to these ambitions?	Head of Financial Services	I suggest this feedback is incorporated as part of the next refresh of the Council's strategic risks which will follow the update of the Council's corporate plan. Timescale tbc by the current administration. The current strategic risks were developed by the Council's Strategic Leadership and the previous administration and approved in February 2023. These ambitions are set out in related documents e.g. Hemel Town Centre Visions, July 2023 Cabinet.
Page 24 Place Shaping & Regeneration, row 7	There are many components within the comments. Suggest that the items are ranked in order of importance and the key ones are risk assessed. For example, the Local Plan underpins the whole agenda. What is the risk to the Local Plan?	Head of Financial Services	This feedback will be incorporated.

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Page 27 Working with Strategic Partners, row 3	Failure to work with Strategic Partners is not a risk. What is the risk? For example, Partners do not deliver their agreed commitments. What are the risks to service quality, value for money, late strategic projects?	Head of Financial Services	The full risk is ' failure to work with strategic partners to deliver corporate priorities'. All the risks identified in the question here apply.
Page 30 Title	Why are they called "Impacts" here and "consequences" in the summary table?	Head of Financial Services	We can amend this going forward.

Document Title: Appendix B Q4 update Cyber security and risk of data breach PART II, item 5.

Page and Paragraph Number	Question	Responsible Officer	Response
Page 19 Cyber- attack/data breach	Question will be asked in Part 2 of meeting		

Document Title: Appendix A Dacorum Borough Council-SICA-Q1, item 6.

Page and Paragraph Number	Question	Responsible Officer	Response
Page 37 table	What is the purpose of a separate category of OEM recommendations?	Head of Financial Services	These are recommendations considered worthy of note and consideration by management but not considered as significant as recommendations with priority 1-3, as identified in the management action plan.
Page 41	How many 'Adopted', 'General Needs' and 'Sheltered' properties are there? What happened to the remaining 93 properties that were not re-let?	Head of Housing Operations	This query has been passed to the relevant officer to respond. They will be in attendance at committee on the 26 th .
Page 41	What is the average re-letting time and what is the KPI target? What is the length of the delays?	Head of Asset Management	This query has been passed to the relevant officer to respond. They will be in attendance at committee on the 26 th . Target data: General Needs is 30 working days Sheltered is 43 working days

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			Adapted is 151 working days
Page 44	How many Teckal companies does the council operate?	Head of Commercial Development	The Council is part of Herts Building Control. Broste Rivers is the holding company for Herts Building control.
Page 44	Is there a process for ensuring LATC's are within the Teckal parameters?	Head of Commercial Development	<p>Yes a process exists when the Council is looking to engage with LATCs. The Head of Commercial Development will attend the meeting on the 26th and can give further comments. The Council's procurement activities must comply with the Public Contract Regulation 2015 (PCR 2015), in addition the Council's Procurement Standing Orders require all procurement activities above a set threshold (£75k) to be carried out by the Council's corporate procurement team.</p> <p>This team are all professionally qualified and ensure that all tendering is undertaken in compliance with the PCR 2015, the team are fully aware of the rules around Teckal exemptions and that any LATCO must comply with the 'control' and 'functional' tests to fall within the Teckal exemption.</p> <p>From a 'control' perspective, a local authority must control all of the shares (or be part of a group of LA's that control all of the shares) in the LATCO and must also exercise effective day-to-day control over its affairs; in other words, the same as the relationship between the council and one of its internal directorates.</p> <p>From a 'functional' perspective, the LATCO must be "inwardly and not outwardly focused". The directive requires that at least 80% of the activity of the Teckal company (over 80% of its turnover) must be for its public sector owners.</p>
Page 46	Is there a process for handing over contracts into operations (service management)?	Head of Commercial Development	Service management work alongside procurement as part of contract specification and award. Post award, service management will lead on contract management arrangements, supported by procurement. The Council has a Commercial Board, an officer –led group maintaining oversight of key Council contracts and associated procurement processes. The Head of Commercial Development will attend the meeting on the 26 th and can

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			<p>give further comments. The corporate procurement team and the internal client work together through the commissioning and tendering process. Both parties jointly work through the commissioning process to draft the outcome specification, contract terms, performance indicators and evaluation criteria and then through the tendering process to complete the tender evaluation and the contract award.</p> <p>Upon contract award, the corporate procurement team draft the contract and arrange for the documentation to be signed and then hands the contract over to the internal client for contract management.</p> <p>The Council's Procurement Standing Orders provides contract management guidance for officers to follow.</p>
Page 46	Does the council operate a change management process for introducing changes into operations (service management)?	Head of Commercial Development	<p>The Council has a Transformation service and Head of Transformation. This service supports services with major operational changes occurring in the organisation. It is assumed that this question relates to changes to a contract. Each contract will have a contract variation schedule that must be followed when making any changes to a contract. The Council's Procurement Standing Orders clearly states that Procurement must be consulted on any proposed changes to an existing contract.</p>
Page 46	Who will define the performance requirements and associated indicators? (Operations/Service Management?)	Head of Commercial Development	<p>Service management, supported by procurement and the Council's performance management office. As indicated above, the corporate procurement team and the internal client work together through the commissioning and tendering process. Both parties jointly work through the commissioning process to draft the outcome specification, contract terms, performance indicators and evaluation criteria.</p> <p>Each procurement presents a report to Commercial Board at the end of the commissioning stage setting out what has been undertaken and seeks approval to progress to the tender stage. Commercial Board reviews the commissioning work carried out to ensure amongst other things that performance and risk have been appropriately addressed.</p>
Page 46	Doesn't the proposed draft paper need to also go to	Head of	It is expected that following presentation at Commercial

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	the heads of operations?	Commercial Development	Board, this paper would be shared with the Council's Corporate Leadership Team, which includes heads of service/ operations. Any changes to the Council's Procurement Standing Orders must first be discussed at Commercial Board to seek agreement to any changes. The Commercial Board is made up from a number of senior officers at the Council including Heads of Service. Any agreed changes are incorporated into the Council's Procurement Standing Orders and are communicated to Council officers.
Page 48	What statistics/KPIs are reported in relation to rent arrears? (% of households in arrears as a percentage of the total. Target time for arrears payment and performance against target)	Head of Housing Operations	Current rent arrears as a % of monthly debit (amount due). Rent collected as a % of rent owed for the period. Percentage of tenancy sustainment cases where rent arrears were reduced.
Page 48	Is Root Cause Analysis performed routinely on accounts that are not compliant?	Head of Housing Operations	<ul style="list-style-type: none"> - Yes. Non-compliant accounts are reviewed to understand the underlying causes of non-compliance. The service have been asked to provide further comment. Yes, Lead officers regularly check accounts ensuring that officers are following the rent arrears procedure and action is taken in a timely manner - With the use of the Income Analytics system, officers and Lead officers are able to use specific filters which highlights accounts that may need further action or moving along in the process - Our officer will try as far as possible to engage with tenants in rent arrears to understand the reason for non-payment, and taking into account environmental and social factors such as cost of living crisis, vulnerabilities, illnesses & disabilities etc
Page 48	Are lessons learnt captured and used to inform process improvement initiatives?	Head of Housing Operations	<ul style="list-style-type: none"> - Yes. The service have been asked to provide further comment. We managed nearly 10,000 rent accounts via the use of Orchard housing management system and Income Analytics System - We are currently reviewing our rent arrears procedure to ensure a consistent and timely approach to arrears collection, while still maintaining

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			<p>a supportive approach with our tenants. This review will be presented to SLT in August.</p> <ul style="list-style-type: none"> - We are also trialling a new process when a tenant has been taken to court, this tenant will now be supported/monitored by the court officers for a period of 12 months rather than being monitored by the rent officer for that patch.
Page 49	How much debt is written off? What percentage of total income is this?	Head of Financial Services	22/23- 1.3% or £770k of £58m due.
Page 51	What years do the quarters relate to? (We are in quarter 3 of 2023, unless the quarters start in May)	Head of Financial Services	The local authority financial year starts 1 April. So Q1 is the period Apr-June, as an example.
Page 53	What is the revised implementation timetable date?	Assistant Director, Place Communities and Enterprise	The service has been asked to comment- to follow.
Page 53	What thresholds and controls are in place for managing project budgets?	Head of Financial Services	The Council has a monthly financial monitoring cycle, with monthly reports to the Strategic Leadership Team and quarterly reports to Scrutiny and Cabinet.
Page 54	Does this action apply to future procurements or to all existing contracts? Why has this taken so long to implement?	Head of Commercial Housing Contracts/ Head of Commercial Development	The recommendation relates to inclusion of safeguarding contractual terms. These are now implemented for the all Council contracts (including Housing- updated provided 26/07 by relevant Head of Service). Delays related to the application of this clause to Housing contracts. Implementation on housing was delayed due to the complexity of affected contracts. There is a major review of housing contracts underway at present. This review has been a major piece of work for the Council for the last 12 months, with safeguarding clause updates just one aspect of revisions to contractual arrangements.
Page 55	Why has this taken over a year to update a risk register?	Head of Financial Services	A system access issue. It is recognised that this should have been identified and resolved more quickly. This is now resolved.

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Document Title: Appendix B Dacorum Borough Council-Annual Strategy and Annual Plan 2023-24

Page and Paragraph Number	Question	Responsible Officer	Response
Page 57	The key emerging themes are also strategic risks. Have they been considered for inclusion in the Strategic Risk Register?	Head of Financial Services	I suggest this feedback is incorporated as part of the next refresh of the Council's strategic risks which will follow the update of the Council's corporate plan. Timescale tbc by the current administration. The current strategic risks were developed by the Council's Strategic Leadership and the previous administration and approved in February 2023.
Page 59	Is there an operating model for the council that includes all the services it provides?	Head of Financial Services	There is an organisation structure chart that lists this information. Happy to explore further.
Page 59	How are the review areas selected? What is the scope for changing these (for example why does ICT only include use of social media and cyber security maturity assessment?)	Head of Financial Services	Proposals are put forward by the Council's Strategic Leadership Team. These are put to audit committee to review. Amendment and then formal approval on an annual basis. The current programme was approved in February 2023. ICT has a rolling audit programme. Social media and cyber security are on the list of review areas for 23/24/ Other areas would have been reviewed in previous years.
Page 61	Can we review the high level scope to make sure that it covers the strategic risks (e.g. compliance with statutory and legal requirements, arrangements for achieving the CEE statement, Place shaping and regeneration)?	Head of Financial Services	The audit programme is a rolling one and covers all key strategic risks over a 2-3 year period. Place shaping was reviewed in 22/23. Climate is on the list for 23/24. Key financial controls are reviewed on an annual basis.
Page 61	Why is H&S split into 3 separate audits?	Head of Financial Services	H+S compliance is a key priority for the Council. Separate audits are considered to provide proper focus on specific areas of H+S activity and compliance.
Page 61	What benchmark will we be comparing our H&S arrangements against?	Head of Financial Services	Detail to be provided to committee - to follow.
Page 62	Leisure Contract - can we also look at the contract governance arrangements? (E.g. Is there a jointly managed board? Does it have terms of reference, membership, frequency of meetings, standing agenda items, etc.?)	Head of Financial Services	This can be incorporated under the scope of the audit brief.
Page 63	What are the audit recommendations provided	Head of	Suggest a separate update be brought to committee on

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	into the HTIP?	Financial Services	this.
Page 65	What is the scope for benchmarking our services against other councils?	Head of Financial Services	Benchmarking activity occurs across the Council. If Members have particular requirements in this area, please advise.

Document Title: Appendix A Dacorum Borough Council Audit Plan 22-23

Page and Paragraph Number	Question	Responsible Officer	Response
Page 72, bullet 4	Where do we find the Audit Committee updates?	Head of Financial Services.	These are given via attendance of GT at audit committee meetings. Please check audit committee minutes.
Page 83	Does our financial sustainability approach provide mitigation for the financial resilience risk identified in the SRR?	Head of Financial Services	Yes that is correct.

Document Title: Agenda Item 8 - Report

Page and Paragraph Number	Question	Responsible Officer	Response
Page 94	Does this role require any form of security vetting?	Head of Financial Services	We will add Disclosure Barring Service clearance to the role requirements.

Document Title: Appendix A Redmond Review of Local Authority Financial Reporting - Dacorum Impact and update July AC

Page and Paragraph Number	Question	Responsible Officer	Response
Page 95	What does "Policy in process" mean regarding the two financial reporting policies?	Head of Financial Services	Central government/ CIPFA are looking at developing this.

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Document Title: Appendix B CIPFA's Position Statement on Audit Committee in Local Authorities and Police 2022

Page and Paragraph Number	Question	Responsible Officer	Response
	None		

Document Title: Appendix C Independent Committee Member Job Description and Person Specification

Page and Paragraph Number	Question	Responsible Officer	Response
General	Do we need to specify the number of days for this part-time role?	Head of Financial Services	We can. I would specify attendance at up to 6 committee meetings per year plus mandatory training (up to 4 additional days). 20 days.
Page 104	Do we want to include financial skills and experience?	Head of Financial Services	Yes we can add this in as an essential criteria.

Document Title: Appendix D Proposed Terms of Reference

Page and Paragraph Number	Question	Responsible Officer	Response
	None		