

Time Commenced: 6.00pm  
Time Finished: 8.22pm

**AUDIT AND ACCOUNTS COMMITTEE  
25 JUNE 2009**

**Present:** Councillor Roberts – Chair  
Councillors Allen, Harwood, Holmes, Jackson and Troup

01/09 Apologies for Absence

An apology for absence was received from Councillor Willoughby

02/09 Late Items

There were no late items.

03/09 Declarations of Interest

There were no declarations of interest.

04/09 Minutes

The minutes of the meeting held on 2 April 2009 were agreed as a correct record and signed by the Chair.

05/09 Derbyroads Partnership Update

The Committee received an update on the Derbyroads Partnership. A report would be considered by Council Cabinet at its meeting on 7 July 2009. The report would identify a course of action for dealing with the problems that had arisen in undertaking and financing routine repair works on the city's highways and a timetable for reducing the backlog.

**Resolved to note the report and request an interim progress report in December 2009 setting out the progress in the first six months.**

Accounts

06/09 Statement of Accounts

The Committee considered the statement of accounts summarising the Council's performance up until 31 March 2009. The statement needed to be agreed by the Committee by 30 June 2009.

**Resolved to approve the statement of accounts for 2008/09 subject to external audit.**

07/09 External Audit

The Committee considered a report which stated that the Council's external auditors, Grant Thornton had published their audit strategy document for the year ending 31 March 2009. The purpose of this was to meet an Audit Commission requirement to give local authorities some warning of the issues likely to be reviewed in 2009/10 and to allow better coordination with internal audit activity. John Roberts from Grant Thornton attended the committee to present the report.

**Resolved**

- 1. To note the external audit strategy for the year ending 31 March 2009.**
- 2. To note the recommendations and action plan from the interim audit for the year ending 31 March 2009.**

Governance

08/09 Audit Commission Report – Risk and Return

The Committee considered a report which stated that in March 2009, the Audit Commission published a report entitled Risk and Return: English Local Authorities and the Icelandic Banks. This was the outcome of its investigations into the losses claimed by 127 local authorities that had paid money with Icelandic banks before the collapse of these banks in October 2008.

The report set out nine principles which the Audit Commission recommended local authorities adopt.

**Resolved**

- 1. To note the recommendations applying to local authorities made by the Audit Commission in its 'Risk and Return'.**
- 2. To agree that Council Members of the Audit and Accounts Committee should be involved in treasury management investment and borrowing issues and the Director of Resources will discuss this further with the Chair and Vice Chair of the Committee.**
- 3. To adopt the nine principles set out in paragraph 2.4 of the report.**
- 4. To request the Head of Internal Audit to explore the setting up of**

**training on treasury management.**

09/09      Head of Internal Audit – Annual Audit Opinion 2008/09

The Committee considered a report which set out the Head of Audit and Risk Management's opinion on the internal control environment and the activity and performance of Internal Audit.

**Resolved**

- 1. To note the Head of Audit and Risk Management's opinion on the internal control environment.**
- 2. To note the activity and performance of Internal Audit.**

10/09      Effectiveness of the System of Internal Audit

The Committee considered a report which stated that the Accounts and Audit (Amendment) (England) Regulations 2006 stated that 'the relevant body shall, at least once in each year, conduct a review of the effectiveness of its system of internal audit'. The regulations go on to state that the findings of this review be considered by a committee of the relevant body, or by members of the relevant body as a whole, as part of the wider consideration of an organisation's system of internal control.

**Resolved to note the report.**

11/09      Annual Governance Statement 2008/09

The Committee considered a report which set out the Annual Governance Statement 2008/09. When publishing the annual accounts, the Council is required to consider and approve an Annual Governance Statement which sets out the Council's responsibilities, the purpose of the governance framework, the governance environment, its effectiveness and any significant areas of weakness identified with proposed actions to address these.

**Resolved to approve the inclusion of the Annual Governance Statement in the 2008/09 Statement of accounts.**

12/09      Governance Update

The Committee considered a report which provided an update on progress with several key governance issues, including, governance working group, risk management issues, financial procedure rules – review, compliance with contract procedure rules, national fraud initiative 2008/09 and review of policies and

strategies.

### **Resolved**

- 1. To note the report.**
- 2. To inform all chief officers that any non compliance with contract procedure rules should be brought to the attention of the Audit and Accounts Committee.**

### Internal Audit

13/09      Audit Plan 2009/10

The Committee considered a report which set out the internal audit plan for 2009/10. It was reported that planning the audit coverage each year required that several key factors were taken into account which would influence not only the nature of audit reviews, but the way the section operated. Preliminary discussions have taken place with the Council's External Auditor on the coverage of the Audit Plan, as well as a number of key officers in each department. The overall draft audit plan had been discussed with the Corporate Director – Resources, in his role as the Council's s151 Officer.

### **Resolved to approve the 2009/10 Internal Audit Plan.**

14/09      Internal Audit Progress Report

The Committee considered a report which summarised the internal audit work completed in the period 1 March to 31 May 2009.

### **Resolved to note the activity and performance of Internal Audit in the period 1 March to 31 May 2009.**

15/08      Exclusion of the Press and Public

To consider a resolution to exclude the press and public during consideration of the following items:

“that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following items on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 and 7 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information”

## Investigations

### 16/08 Latest Internal Audit Investigations

The Committee considered confidential information on the latest Internal Audit Investigations.

**Resolved to note the report.**

Chair of the next ensuing meeting  
at which these minutes were signed