

Time Commenced: 5.30pm  
Time Finished: 8.55pm

**AUDIT AND ACCOUNTS COMMITTEE  
3 DECEMBER 2009**

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

41/09 Apologies for Absence

An apology for absence was received from Councillor Allen.

42/09 Appointment of Vice Chair

**Resolved to appoint Councillor Davis as Vice Chair for the ensuing  
Municipal Year.**

43/09 Late Items

There were no late items.

44/09 Declarations of Interest

There were no declarations of interest.

45/09 Minutes

The minutes of the meetings held on 24 September and 20 October were agreed as a correct record and signed by the Chair.

Training

46/09 International Financial Reporting Standards

Carolyn Wright and Chloe Bowes gave the Committee training on the International Financial Reporting Standards (IFRS).

Items Requested by Audit and Accounts Committee

47/09 School Bus Provision

The Committee received an oral update on school bus provision.

**Resolved to receive at the next meeting an indication of the price structure that Notts and Derby brought in for Derby Moor Community Sports College and St Benedict schools and the level of subsidy required to give the service to other schools and then to make a recommendation to Council Cabinet.**

## Updates

### 48/09 Highways Maintenance Term Contract

The Committee received an oral update on the Highways Maintenance Term Contract. The update included progress with the back log. The Committee expressed concern about the continuing rise in the costs associated with the backlog. It was noted that the inspections had shown an increase in the deterioration of the network following the bad winter last year.

#### **Resolved**

- 1. To note the update.**
- 2. To request the Cabinet Member for Planning and Transport to attend the next meeting.**

### 49/09 Non Compliance Contract Update

The Committee received an oral update on non compliant contracts. It was noted that a framework for taxi services was now in place, a professional services framework was now in place to cover highways, transport and urban design.

#### **Resolved to note the update.**

## External Audit

### 50/09 'Use of Resources' Accreditation 2008/09

The Committee considered a report which stated that as part of the Organisational Assessment in the Comprehensive Area Assessment (CAA), our external auditors Grant Thornton had undertaken our Use of Resources (UoR) audit.

Under the Audit Commission's Code of Audit Practice, Grant Thornton were required to reach a conclusion on whether the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

In 2009, the Audit Commission introduced a new framework and methodology for UoR assessments. The new framework emphasised outcomes over processes, and brought new areas into the assessment such as environmental and workforce management. The new assessment presented a more robust challenge than the old framework, based on different scoring criteria.

Grant Thornton accredited the Council with a performance score of '2' performing 'adequately' compared with a score of '3' performing 'well' in 2007/08.

This was based on the following scores against each criteria:-

Managing Performance	3 out of 4
Use of Resources	2 out of 4
Managing Finances	2 out of 4
Governing the business	3 out of 4
Managing Resources	2 out of 4

Grant Thornton had listed ten recommendations that the Council should address as part of our improvement planning process

#### **Resolved**

- 1. To agree the Council's proposed actions in response to Grant Thornton's recommendations as listed in Appendix 2.**
- 2. To request the Corporate Director of Resources to provide a progress report on delivery of the actions at the Audit and Accounts Committee meeting in April 2010.**

#### **51/09 Implementation of Recommendations made by the External Auditors**

The Committee considered a report which stated that a detailed update on progress made against the observations/recommendations raised in the interim audit report from Grant Thornton was reported to this Committee in September 2009.

The final audit report from Grant Thornton (ISA 260 Report to those Charged with Governance), together with the action plan to address the observations / recommendations made in the report, was reported to this Committee in September 2009.

Appendix 2 of the report provided a detailed update on progress made against those actions which were outstanding at the September Committee. 20 of the original 31 recommendations made had now been completed, some in advance of the deadlines set in June and September 2009, and all outstanding actions were expected to be completed by March 2010.

**Resolved to note the progress made on the External Audit Action Plan 2009/10.**

Performance Issues

52/09 Data Quality Standards in the Council - Update

The Committee considered a report which stated that the Council has a duty to maintain adequate data quality standards to ensure performance reporting at all levels was accurate and robust. Our arrangements are subject to annual review by our external auditors, which in 2008/09 were assessed as 3 out of 4 (performing well).

The Council has in place a Data Quality Policy which sets out roles, responsibilities and standards for data collation, use and reporting. An action plan was created to improve data quality arrangements.

As part of the action plan, the Council has introduced an innovative self assessment process to facilitate risk based reviews of performance indicators by Internal Audit. This had been extended across the wider National Indicator set.

There were some areas of slippage. Further work would be undertaken to embed data quality within departmental risk registers and raise the profile of data quality across the Partnership.

**Resolved**

- 1. To note progress against the data quality action plan as shown in Appendix 2.**
- 2. To agree to receive a further progress report in April 2010.**

Treasury Management

53/09 Treasury Management Progress Report 2009/10

The Committee considered a report on treasury management progress. It included investments, borrowing and treasury management strategy.

**Resolved to note the progress report on Treasury Management for the period to 30 September 2009.**

Procurement

54/09 Contract Waivers

The Committee considered a report which stated that Rule 6.7 of the Contract Procedure Rules requires that all waivers must also be reported by the Head of Procurement on a quarterly basis to the Audit and Accounts Committee so they can monitor their use.

Appendix 2 of the report listed a summary of those waivers that had been granted since September 2009.

**Resolved to note the urgent waivers detailed in Appendix 2 of the report.**

55/09 Office of Fair Trading Investigation into Bid Rigging

The Committee considered a report which stated that at its meeting on 24 September 2009, Committee asked for a report to be brought to the December meeting which provided a briefing to Members on the Office of Fair Trading (OFT) guidance and assessed whether any improvements to the Council's current tendering procedures would be required.

**Resolved to note the report.**

Governance

56/09 Governance Update – Governance Group, Risk Management

The Committee considered a report which provided an update on progress with several governance issues which included, Governance Working Group, Risk Management Issues, Fraud (National Anti-Fraud Network), Corporate Anti-Fraud Group and National fraud Initiative 2008/09.

**Resolved**

- 1. To note the report.**
- 2. To consider at the next meeting where internal audit fits into the transformation agenda.**

## 57/09 Protecting the Public Purse

The Committee considered a report which stated that on 15 September 2009, the Audit Commission published its latest national report on fraud, "Protecting the public purse". At the Committee meeting on 24 September 2009, Members were provided with the Audit Commission's summary report.

The national report considers the key fraud risks and pressures facing councils and related bodies and identifies good practice in fighting fraud. The Audit Commission states that "it has never been more important that councils fight fraud. Every pound lost to cheats is a pound that cannot be used for people in real need". The report identified specific risks that the Audit Commission considered were often not adequately addressed at a local level:

- housing tenancy fraud
- false claims for single person discount on council tax and
- recruitment fraud.

The Audit Commission also identified other fraud risks that it felt still needed to be tackled:

- the amount lost through housing and council tax benefit fraud
- procurement frauds
- misuse of social care direct payments
- misuse of disabled parking concessions
- insurance claims and
- abuse of position.

The report provided an overview of the threats of fraud facing councils and suggested that Councils reassess their counter fraud plans and ensure that staff understood, and had faith in, whistle-blowing arrangements.

**Resolved to note the report.**

## Internal Audit

### 58/09 Internal Audit Progress Report

The Committee considered a report which summarised the internal audit work completed in the period from 1 September to 31 October 2009.

**Resolved**

- 1. To note the activity and performance of Internal Audit in the period 1 September to 31 October 2009.**

- 2. To write to the Director of Children and Young People about the School Admission Database to get assurance that this was being addressed and that a time bound action plan was in place.**
- 3. To request information on rent levels for stalls in the markets to make sure that there were appropriate rates between stalls.**
- 4. To call-in fixed assets to be considered by this Committee.**

#### 59/09 Internal Audit Recommendations – Follow Up

The Committee considered a report which stated that this Committee at its meeting on 24 September 2009 had approved a revised approach to following-up and reporting on the implementation of audit recommendations.

Appendix 2 of the report provided members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations that had passed their agreed implementation dates.

#### **Resolved**

- 1. To note the summary report in Appendix 2 of the report, that showed where agreed actions in respect of audit recommendations had not been implemented.**
- 2. To note the report in Appendix 3 of the report, that showed those recommendations not yet implemented to determine whether members consider further actions were required to secure implementation or whether officers should be required to provide the committee with more detailed explanations of the action status.**
- 3. To call-in items 477 (Moorways Leisure Centre) and 493 (Springwood Leisure Centre) for consideration by the Committee.**

#### 60/09 Exclusion of 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”

61/09      Parking Services – Risk Assessment

The Committee considered a report setting out details of the health and safety risk assessment carried out by Parking Services.

**Resolved to note the risk assessment.**

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