

Time Commenced: 6.00pm
Time Finished: 7.22pm

**AUDIT AND ACCOUNTS COMMITTEE
29 MARCH 2012**

Present: Councillor Ashburner – Chair
Councillors Campbell, Davis, Redfern, Roberts and Troup

63/11 Apologies for Absence

Apologies for absence were received from Councillors Bailey and Harwood.

64/11 Late Items

There were no late items.

65/11 Declarations of Interest

Councillor Campbell declared a personal interest in item 69/11 because he was governor at Meadow Farm School and a member of the NASUWT.

66/11 Minutes

The minutes of the meetings held on 2 February 2012 were agreed as a correct record and signed by the Chair.

67/11 Review of Invoices Processed

The Committee considered a report which stated that the Council procured Meridan Cost Benefit Limited to conduct a review of purchase ledger transaction and to identify process efficiency opportunities within the invoice processing team (accounts payable).

Resolved to note the findings from the review of the Accounts Payable transactions and payment recoveries of £134k.

68/11 Market Security

The Committee considered a report which provided an update on the Market security tender process.

Resolved to note that the new contract was awarded to Knights Security and commenced on 1 December 2011.

69/11 Local Authority Scheme for Financing Schools

The Committee considered a report which stated that each Local Authority was required to have a Fair Funding Scheme for Financing Schools in accordance with the School Standards and Framework Act 1998 - SSFA - and associated regulations. The Scheme applied to all community, nursery, voluntary, foundation and trust schools.

The report detailed the proposed changes to the Scheme. All Scheme changes must be approved by Schools Forum. Schools Forum was considering these changes at their meeting on the 29 March 2012.

Under the Education Act 2011, the Secretary of State had the power to issue directed revisions to local authority schemes for financing schools. This meant that authorities must incorporate within, or remove from, their schemes the specified wording, and no other process was needed in order to make the changes.

As well as the changes the Secretary of State had made under this provision, other changes had been made to the Scheme.

Resolved

- 1. To approve the changes to the Scheme for Funding Schools.**
- 2. To recommend Council to approve the scheme changes.**

70/11 Financial Procedure Rules

The Committee considered a report which stated that the Council's Financial Procedure Rules – FPRs – were previously updated in November 2009. Given the significant changes to the Council's systems, processes and personnel since then, a full review of the FPRs had now been carried out and a number of key changes were proposed.

The key changes proposed in the revised FPRs included clarification and revisions to:

- Virement approval limits for cross-directorate and cross-portfolio transfers – Appendix 2 of the report
- Use of Earmarked Reserves and Corporate Contingency Budgets – section C2 and Appendix 1 of the report
- Capital Programme Development and Monitoring – section C3 and Appendix 1 of the report
- Treasury Management, including banking arrangements and the use of credit/purchase cards – section D7 of the report

- Asset acquisitions and disposals, including leases and inventories – section D8 of the report
- Working with Third Parties, Partnerships and Accountable Body Arrangements – sections F1 and F2 of the report
- External Funding Arrangements – section F4 of the report

Resolved

- 1. To note the revised Financial Procedure Rules.**
- 2. To recommend Council to approve of the revised Financial Procedure Rules.**

71/11 Statement of Accounts Process and Accounting Policies
2011/12

The Committee considered a report which stated that as a move towards current best practice, the Council was proposing to bring the Statement of Accounts timetable forward. The External Audit would start earlier and the authorisation of the final Statement of Accounts by Audit and Accounts Committee would also be brought forward.

There were three key areas for consideration for the 2011/12 accounts, heritage assets, accounting for schools, and the Carbon Reduction Commitment. Details of these considerations were included in section 4 of the report, and two changes in accounting policy were proposed for the 2011/12 accounts:

- to bring heritage assets onto the Council's Balance Sheet, in accordance with the latest guidance available from CIPFA
- to include a provision in the accounts for Carbon Reduction Commitment allowances, in line with the treatment described in Local Authority Accounting Panel Bulletin 91 issued by CIPFA.

Resolved

- 1. To note the revised timetable for the 2011/12 Statement of Accounts process.**
- 2. To approve the 2011/12 Accounting Policies outlined in Appendix 2 of the report.**

72/11 Reporting on Waivers

The Committee considered a report which stated that there were a total of 18 waivers within the report, one of which was not received until after the last waiver report was issued.

The break down by directorate was

Directorate	Number of Waivers	Approval route		
		Departmental	Urgent	Cabinet
Neighbourhoods	6	4	2	0
Adults, Health and Housing	6	2	1	3
Resources	4	1	2	1
Children and Young People	2	0	2	0
Total Number of Waivers	18	7	7	4

- 8 of the waivers relate to single suppliers (Indicated within the waiver report)
- 1 of the waivers came as a result of a decision by the contractor to cease the contract

7 of the waivers were approved under departmental authority, 7 under an urgent action and 4 by Council Cabinet.

Resolved to note the report.

73/11 External Audit – Grants Certification

The Committee considered a report which stated that the report at Appendix 2 from Grant Thornton set out the findings from the 2010/11 certification work undertaken.

The report showed an improvement in the performance against the previous year on certification targets. Performance against deadlines was in line with the previous year when taking account of deadline extensions from DCLG.

There had been three audit qualifications. Two related to the accuracy of information which we were working to rectify for future audits. The other related to historic issues which were anticipated, but would not continue in future due to

this being the final year for the claim.

Resolved to note the certification work report for 2010/11 from Grant Thornton.

74/11 External Audit – Audit Plan

The Committee considered a report which stated that the report at Appendix 2 from Grant Thornton set out the audit plan for the Council for the financial year 2011/12.

Resolved to note the audit plan 2011/12 report from Grant Thornton.

75/11 Governance Update

The Committee considered a report which provided an update on the developments being made within the Council's governance framework.

Resolved to note the actions and the progress being made to enhance the governance framework.

76/11 Audit and Accounts Committee Training

The Committee considered a report which stated that members of the Audit and Accounts Committee should have an understanding of the role of an Audit Committee and the issues that were presented.

Resolved to provide training to Audit Committee members on the topics suggested in paragraph 4.2 and appendix 2 of the report.

77/11 Internal Audit Progress Report

The Committee considered a report which informed Members of the internal audit activity for the period 1 November 2011 to 29 February 2012.

Resolved to note the activity and performance of Internal Audit in the period 1 November 2011 to 29 February 2012.

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