

Time Commenced: 6.00pm
Time Finished: 8.40pm

AUDIT AND ACCOUNTS COMMITTEE

24 September 2014

Present: Councillor Tittley (Chair)
Councillors Ashburner, Davis, Harwood, Sandhu and Turner

In attendance

Phil Jones, Tony Parks and Matthew Beresford – Grant Thornton

Adam Wilkinson – Chief Executive

Paul Robinson – Strategic Director of Neighbourhoods

Janie Berry – Monitoring Officer

Richard Boneham – Head of Governance and Assurance

Ray Poxon – Head of Procurement

Martyn Marples – Director of Finance and Procurement

Mark Nash – Group Accountant – Corporate

Gemma Hadfield – Principal Accountant – Corporate

Derek Ward – Director of Public Health

Heather Greenan – Head of Performance and Improvement

Frank McGhee – Director of Commissioning, Children and Young People

14/14 Apologies for Absence

Apologies for absence were received from Councillors Campbell and Hezelgrave.

15/14 Late Items

There were no late items.

16/14 Declarations of Interest

There were no declarations of Interest.

17/14 Minutes

The minutes of the meeting held on 9 July 2014 were agreed as a correct record and signed by the Chair.

Councillor Harwood requested a copy of the information referred to in minute no 05/14 resolution 3 – statement about the spend with Midland HR in the last twelve months.

Minute no 10/14 – The Head of Assurance and Governance reported that in respect of the Assembly Rooms a meeting with the loss adjusters had been arranged. The

position on insurance should be known once that meeting had taken place.

Minute no 10/14 – The Head of Governance and Assurance reported that Blue Badges could be used anywhere in the country but if someone moved house they must register with the local authority where they lived.

Minute no 13/14 – resolution 3 – the response to the question had been circulated.

18/14 Central Midlands Audit Partnership

Councillor Davis reported that there had not been a meeting of the partnership board since the last meeting of the Committee.

19/14 Update on Housing and Council Tax Benefit Subsidy Audit

The Committee considered a report which gave an update on the Council's Housing and Council Tax Benefit Subsidy Audit for 2012/13 and of the consequential budget implications relating to potential claw back of Government subsidy.

The Council's audited subsidy claim was subject to review and consideration by the Department of Work and Pensions - DWP - and ultimately a decision by the Secretary of State with regard to the level of any claw back to be made. This often resulted in considerable elapsed time from the end of the relevant year, completion of audit and receipt of any subsequent recovery decision by the Secretary of State.

The Council had worked extensively with its Auditors and the DWP to increase the level of assurance and minimise financial impacts on the Council. The outcome of the 2012/13 audit was extremely positive and provided a clear endorsement to the continuous improvements achieved by the Council in this significant grant claim.

Resolved

- 1. To note the conclusion of the 2012/13 audit resulting in minimal adjustments to the original subsidy claim of £109.4M and a small decrease in the total subsidy due, representing a 0.001% variation to the original claim.**
- 2. To note the continuous improvements of the subsidy audit over the past years:**
 - **0.26% variation to the original claim in 2011/12 audit**
 - **0.63% variation to the original claim in 2010/11 audit**
 - **1.68% variation to the original claim in 2009/10.**

20/14 Reporting on Waivers

The Committee considered a report which set out details of 4 waivers during the period 19 June to 3 September 2014.

Broken down by directorate we have.

Directorate	Number of Waivers	Approval route		
		Departmental	Urgent	Cabinet
CYP	5	1	4	
Resources	1		1	
Adults Health and Housing – Public Health	2	2		
Adults Health and Housing	3	3		
Neighbourhoods	4	1	3	
Total Number of Waivers	15	7	8	

At the request of the Committee (minute no 05/14) Frank McGhee Director of Commissioning - Children and Young People Directorate, attended the meeting to explain why so many waivers had been sought in the last few months in respect of contracts in the Children and Young People's Directorate. Procedures had been put in place to prevent the need to request waivers for most future contracts.

Resolved to note the report.

21/14 Annual Report 2013/14

The Committee considered a report which stated that the Council produces an Annual Report each year to publicise its achievements and progress made in delivering its Council Plan priorities.

The Annual Report had been produced in two parts. Firstly, a summary document which contained highlights and case studies for each Council Plan 2011-14 priority was shown in Appendix 2 of the report. Secondly, a consolidated version of the Annual Report which included the Statement of Accounts, Annual Governance Statement and Annual Performance Results (shown in Appendix 3 of the report).

Subject to approval from Audit and Accounts Committee and Council Cabinet, the Annual Report would be published on the Council's website in October 2014

Resolved to approve the Annual Report.

22/14 Statement of Accounts 2013/14 Post Audit Approval

The Committee considered the final statement of accounts for 2013/14.

Resolved

- 1. To approve the final set of accounts for 2013/14 financial year set out in Appendix 2 of the report which included final adjustments made following the audit as explained in Appendix 3 of the report.**
- 2. To note that a number of issues were identified by the external auditors which had led to a number of audit adjustments being made to the draft accounts presented to the Committee in July 2014.**
- 3. To note that the auditors currently anticipated issuing an unqualified audit opinion subject to the completion of any outstanding audit testing, the Committee's approval of the accounts and outstanding work on the Council's governance arrangements. This would prevent the 2013/14 accounts being formally closed.**
- 4. To approve that the proposed management letter of representation in relation to the 2013/14 Statement of Accounts be signed by the Director of Finance and Procurement and the Chief Executive set out in Appendix 4 of the report and confirm that to the best of the Committee's knowledge, it was satisfied that the letter may be signed in good faith.**
- 5. To approve the capital determination set out in Appendix 5 of the report.**

23/14 External Audit Annual Report to Those Charged with
 Governance

The Committee considered a report which stated that as part of the International Standard of Auditing 260 (ISA 260) the Council's external auditors, Grant Thornton were required to report the outcome of the Audit of Accounts 2013/14 to the Audit and Accounts Committee, this was set out in Appendix 2 of the report.

Resolved

- 1. To note the annual report from Grant Thornton and their findings and recommendations and request updates on the Action Plan contained within the report.**
- 2. To use the findings and recommendations arising from the Grant Thornton report to inform its opinion on the overall effectiveness of the Council's financial reporting arrangements and confirm that there were no specific matters that prevented the formal adoption of the financial statements.**
- 3. To request the Chair of the Committee to write to the Group Whips to**

remind them that the annual declaration of interests forms for Members needed to be completed.

24/14 Annual Governance Statement

The Committee considered a report which presented the updated Annual Governance Statement 2013/14 for final review. The Statement provided an assessment of the effectiveness of the Council's governance framework and highlighted any issues arising together with the proposed actions to address them.

Resolved

- 1. To approve the changes made to the Annual Governance Statement 2013/14.**
- 2. To refer the Annual Governance Statement 2013/14 to the Council Leader and Chief Executive for signing.**
- 3. To request a list of lessons learnt in relation to significant governance issues to enable to Committee to make recommendations to the Council Cabinet and Management Teams about following protocols.**

25/14 Effectiveness of Audit Committee – Self Assessment

The Committee considered a report which set out the outcome of the self assessment of the effectiveness of the Audit and Accounts Committee.

Resolved

- 1. To note the self assessment.**
- 2. To request the draft action plan be considered at the next meeting.**

26/14 Governance Update

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

Resolved

- 1. To note the actions and the progress being made to enhance the governance framework.**
- 2. To request a report back on the compliance with the NHS Information Governance Toolkit.**

3. To request a report on the outcome of the meeting of the re-constituted Risk Management Group planned for mid October 2014.

27/14 Risk Management – Models of Performance / Effectiveness

The Committee considered a report which identified example models to assess risk management performance of an organisation.

Resolved

- 1. To note the report.**
- 2. To request a progress report to the next meeting.**

28/14 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”

29/14 Risk Based Verification Policy

The Committee considered a report which set out the Council's proposed Risk Based Verification (RBV) Policy and outlined to reasons for adopting it.

The department for Work and Pensions allowed Local Authorities to adopt RBV on a voluntary basis when administering Housing Benefit and Council Tax Support claims.

Resolved to approve the council Risk Based Verification policy as signed by the Section 151 Officer and set out in Appendix 2 to the report.

30/14 Internal Audit Payroll Review

The Committee considered a report which set out the findings from the 2013/14 payroll audit.

Resolved to request a senior manager from HR Operations to attend the next meeting of the Committee to provide assurances that audit requests for information would be complied with for all audit reviews.

Minutes End