

Time Commenced: 6.00pm  
Time Finished: 7.12pm

**AUDIT AND ACCOUNTS COMMITTEE**  
**26 March 2014**

**Present:** Councillor Roberts (Chair)  
Councillors Ashburner, Campbell, Davis, Harwood and Troup

In attendance Phil Jones, Matthew Beresford and Tony Parks –  
Grant Thornton  
Roger Kershaw – Strategic Director of Resources  
Janie Berry – Monitoring Officer  
Richard Boneham – Head of Governance and Assurance  
Ray Poxon – Head of Procurement  
Mark Nash – Group Accountant - Corporate

**63/13 Apologies for Absence**

Apologies for absence were received from Councillors Martin and Troup.

**64/13 Late Items**

There were no late items

**65/13 Declarations of Interest**

There were no declarations of Interest.

**66/13 Minutes**

The minutes of the meeting held on 5 February 2014 were agreed as a correct record and signed by the Chair.

**67/13 Reporting on Waivers**

The Committee considered a report which set out details of 6 waivers during the period 18 January to 4 March 2014

Broken down by directorate we had.

Directorate	Number of Waivers	Approval route		
		Departmental	Urgent	Cabinet
CYP	1		1	
Resources	1	1		
Adults Health and Housing	2	1	1	
Neighbourhoods	2	1	1	
<b>Total Number of Waivers</b>	<b>6</b>	<b>3</b>	<b>3</b>	

Three of the waivers were approved under departmental authority, and three under the urgency process.

Members of the Committee expressed concern about some of the reasons for behind the need for some of the waivers.

The Committee requested that the Head of Procurement investigate if other authorities use the heavy duty asphalt surfacing.

The Committee requested that a statement be prepared on how much had been spend with Midland HR in the last twelve months and how much was set aside and what the expectations there were for use of days for the project.

In respect of the Supervised Contact Services the Committee requested a senior Member of the Children and Young People Service to come along to the next meeting to explain why this contract needed to be extended, when it had been extended previously so that a review could be undertaken and that that review had not been undertaken and therefore they were not complying with procedures.

The Committee requested that in respect of the programme officer to support planning inspectorate examination hearing process that the Neighbourhoods Directorate validate the credentials of the contractor recruited by Amber Valley Borough Council.

## **Resolved**

- 1. To note the report.**
- 2. To request the Head of Procurement to investigate if other authorities use the heavy duty asphalt surfacing.**
- 3. To request the Strategic Director of Resources to prepare a**

**statement on how much had been spend with Midland HR in the last twelve months and how much was set aside and what the expectations there were for use of days for the project.**

- 4. To request a senior Member of the Children and Young People Service to come along to the next meeting to explain why this contract needed to be extended, when it had been extended previously so that a review could be undertaken and that that review had not been undertaken and therefore they were not complying with procedures.**
- 5. To request the Neighbourhoods Directorate to validate the credentials of the contractor recruited by Amber Valley Borough Council to support the planning inspectorate examination process.**

**68/13 Grant Thornton – Audit Committee Update**

The Committee considered a report which set out the progress made to date and a number of emerging national issues that would affect the Council.

**Resolved to note the report.**

**69/13 Grant Thornton – Audit Plan for Year Ended 31 March 2014**

The Committee considered a report which set out the audit plan for the Council for the financial year 2013/14.

**Resolved to note the audit plan 2013/14 report from Grant Thornton.**

**70/13 Grant Thornton – Grant Certification Work Plan for Derby City Council**

The Committee considered a report which set out the Grant Certification Plan for the Council for the financial year 2013/14.

**Resolved to note the Grant Thornton Certification Work Plan for 2013/14.**

**71/13 Grant Thornton – Informing the Audit Risk Assessment for Derby City Council**

The Committee considered a report which stated that under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors had specific responsibilities to communicate with the Audit Committee. ISA(UK&I) emphasised the importance of two-way communication between the auditor and

the Audit Committee and also specify matters that should be communicated.

As part of risk assessment procedures Grant Thornton were required to obtain an understanding of management processes and the Audit Committee's oversight of the Council's adherence to Laws and Regulations, Prevention of Fraud and assessment of the Going Concern status.

**Resolved to note the report from Grant Thornton and the management responses contained within it.**

**72/13          Statement of Accounts Process and Accounting Policies  
2013/14**

The Committee considered a report which stated that the Council was not proposing to significantly change the Statement of Accounts timetable of its Accounting Policies for 2013/14.

**Resolved to approve the 2013/14 Accounting Policies outlined in Appendix 2 of the report.**

**73/13          Audit Committees – Practical Guidance for Local  
Authorities and Police – 2013 Edition**

The Committee considered report which provided a synopsis of the latest Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Audit Committees, together with the self-assessment on good practice.

**Resolved**

- 1. To note the CIPFA guidance.**
- 2. To nominate the Chair, Vice Chair and a Member of the Liberal Democrats to carry out a self-assessment based on the CIPFA template.**
- 3. To request the Monitoring Officer to review the self assessment and CIPFA guidance and make any arising changes to the Constitution.**

**74/13          Audit and Accounts Committee – Terms of Reference**

The Committee considered a report which outlined the suggested amendments to the Committee's terms of reference following the annual review.

**Resolved to approve the proposed amendments to the Audit and Accounts Committee's terms of reference and refer them to Council for approval.**

## 75/13 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.**

## 76/13 Internal Audit Plan 2014/15

The Committee considered a report which stated that the new Public Sector Internal Audit Standards required the Head of Audit to annually develop a risk based plan. A fundamental role of Internal Audit was to provide members and senior management with independent assurance on the Council's overall control environment, comprising the systems of governance, risk management and internal control and to highlight control weaknesses together with recommendations for improvement. The annual Audit Plan sets out proposals on how this would be achieved in the year ahead.

The Audit Plan must incorporate sufficient work to enable the Head of Audit to give an opinion on the adequacy of the Council's overall control environment. Internal Audit must therefore have sufficient resources to deliver the Audit Plan.

The audit work planned for 2014/15 would inform the Head of Audit's opinion on the internal control environment that existed within the Council. The Head of Audit reports his overall opinion to the Audit and Accounts Committee on an annual basis.

The report provided the Committee with the opportunity to challenge and approve the planned work of the Internal Audit service. As well as satisfying themselves that the methodology and arrangements for preparing the annual Audit Plan were robust.

**Resolved to approve the 2014/15 internal audit plan.**

Minutes End