

Time Commenced: 6.00pm
Time Finished: 8.37pm

**AUDIT AND ACCOUNTS COMMITTEE
2 FEBRUARY 2012**

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

52/11 Apologies for Absence

There were no apologies for absence.

53/11 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late items on the grounds that they should be considered as a matter of urgency on the basis that the matters needed to be addressed before the next scheduled meeting.

- Assembly Rooms Car Park
- Charging Outside Bodies and Individuals for Services Provided

54/11 Declarations of Interest

Councillors Redfern and Troup declared personal interests in item 57/11 in relation to the Housing Revenue Account because they were appointed by the Council to Derby Homes Board.

55/11 Minutes

The minutes of the meetings held on 1 December 2011 were agreed as a correct record and signed by the Chair subject to the inclusion of Councillor Jackson's apologies for absence.

56/11 Assembly Rooms Car Park

The Chair reported that up until six weeks ago the exit barriers at the Assembly Rooms Car Park were often left raised enabling users to leave without payment. At this level of frequency regular users would check that the barriers were down before paying, resulting in a loss of revenue. Since this issue was first raised the frequency had dropped but no record could currently be shown listing when the barriers had been left raised or why. Also no estimate could be provided of the amount of money lost by this action.

There were two good reasons for the barriers to be raised – a fault, and to avoid long queues.

Resolved to request a report to the next meeting.

57/11 Charging Outside Bodies and Individuals for Services Provided

The Chair raised this issue as a result of a representation received from an officer who was asked to assist a local MP on his walkabout. The Chair asked about the Council's policy on requests for work from outside bodies and if there was a charging policy for this.

After a discussion it was agreed that:

1. If an outside body or individual requests goods or services that fall within the Council's normal 'business as usual' remit, officers would be expected to respond to the request;
2. If an outside body or individual requests goods or services that fall outside the Council's normal 'business as usual' remit, Senior Officer Level approval should be obtained prior to the officer responding to the request;
3. In giving approval, the senior officer should give clear guidance on the scope of the instructions and the limits of the officer involvement;
4. In giving approval, the senior officer should have regard to whether or not it would be appropriate to charge the outside body for such work;
5. The proposals in paragraphs 1 - 4 be referred to the Director of Human Resources and Business Support for action.

Resolved to note the concerns of the Chair and request the Strategic Director of Resources to implement solutions to address the concerns raised.

58/11 Treasury Management – Progress Report 2011/12

The Committee considered a report which set out the Council's treasury management activity for the period to 30 September 2011.

Treasury management activity during the half-year had generated an average rate of return on investments of 0.88% to 30 September although our forecast outturn average rate for the year was 0.70%, with the average rate of interest being charged on our loans being 4.71%.

The very low rate of return on investments relative to the interest payable on loans continued, with consequent upward pressure on the Council's revenue costs.

The forecast outturn for the Treasury Management budget in 2011/12 was currently £17.1m, compared with an actual outturn of £14.2m in 2010/11. However, this would deliver an underspend currently estimated to be around £0.780m.

As highlighted in the previous Audit and Accounts Committee report on Treasury Management, the prudential indicator relating to the proportions of fixed and variable rate investments as at 31 March 2011 was breached. This indicator was reviewed and revised at Council Cabinet in November 2011, and the relevant issues were highlighted in the report.

Under a reformed Housing Revenue Account subsidy system the Council's HRA would from 1 April 2012 manage its own loans portfolio, which would mean it adopting a proportion of the Council's overall portfolio. This should not have a detrimental impact on the Council's General Fund.

Resolved

- 1. To note the progress report on Treasury Management for the period to 30 September 2011.**
- 2. To note the discontinuation of the year-end indicator relating to the proportions of fixed and variable rate investments.**
- 3. To note the possible treasury management implications of the HRA reform.**

59/11 Risk Management – Assessment Framework

The Committee considered a report which stated that a desk-top review of the Council's risk management framework had been carried out by the Council's insurer's Zurich Municipal. The review compared the framework to best practice. The final report makes a number of positive statements about the risk management framework in place, and provided recommendations to further enhance it.

Resolved

- 1. To note the report from Zurich Municipal.**
- 2. To request that the action plan be brought to the next meeting of the Committee.**

60/11 Information Governance – Freedom of Information Annual Report 2011

The Committee considered a report which provided a summary of the Freedom of Information statistics for 2011.

Resolved to note the report.

61/11 Internal Audit Shared Services Partnership - Update

The Committee considered a report which stated that the internal audit shared services partnership with South Derbyshire District Council commenced on 1 January 2012. The Governance arrangements for the partnership required the establishment of a Partnership Board. The Board would consist of a representative from each partner's Audit Committee. The report sought a nominee from the Audit and Accounts Committee to serve on the Board.

Resolved

- 1. To nominate the Vice Chair of the Audit and Accounts Committee as the Derby City Council representative on the Partnership Board.**
- 2. To nominate the Chair of the Audit and Accounts Committee as a substitute for the nominee if they were unable to attend.**

62/11 Training Session on the Roles and Responsibilities of Audit Committees and their Importance in the Future

The Committee received a training session from Grant Thornton on the key roles and responsibilities of the Audit Committee.

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