

Time Commenced: 6.00pm  
Time Finished: 8.10pm

**AUDIT AND ACCOUNTS COMMITTEE  
2 DECEMBER 2010**

**Present:** Councillor Ashburner – Chair  
Councillors Harwood Roberts and Troup

**37/10 Apologies for Absence**

Apologies for absence were received from Councillors Chera, Davis and Jackson.

**38/10 Late Items**

There were no late items.

**39/10 Declarations of Interest**

Councillor Troup declared an personal interest in minute no 43/10 because he was a governor at Bemrose School.

**40/10 Minutes**

The minutes of the meetings held on 23 September 2010 were agreed as a correct record and signed by the Chair, subject to the amendment of minute 24/10 to read 'section 12 of the report' rather than 'section 11' in the final line of the preamble.

**41/10 Appointment of Members of the Independent  
Remuneration Panel for Members' Allowances**

The Committee considered a report requesting approval of appointments to the Council's Remuneration Panel.

**Resolved**

- 1. To reappoint Ian Samways and Martyn Holden to the Independent Remuneration Panel for Members' Allowances for a further three years from 1 January 2011.**
- 2. To confirm Ian Samways as Chair of the Panel for a further three year period from 1 January 2011.**

- 3. To appoint Geoff Seymour to the vacant position on the Panel for the remaining period of the term of office, ie until 31 December 2011.**

## External Audit

### 42/10 Annual Audit Letter

The Committee considered the Annual Audit Letter which summarised the key issues arising from the work that Grant Thornton's had undertaken at Derby City Council during the 2009/10 audit.

John Roberts from Grant Thornton addressed the Committee.

#### **Resolved note the Annual Audit Letter.**

### 43/10 External Audit – Review of School Balances

The Committee considered a report which stated that the Council's external auditor had reviewed the Council schools balances as part of its work to provide its value for money conclusion.

#### **Resolved**

- 1. To note the recommendations of the Grant Thornton Report.**
- 2. To request a report giving details of the 8 schools which were above the threshold and what action was being taken to reduce the overfunding.**

### 44/10 Update on 2009/10 Interim Audit and ISA 260 Recommendations

The Committee considered a report which stated that the interim audit report from Grant Thornton 2009/10 was reported to the Committee in June 2010. The ISA 260 report to those charged with governance on the Statement of Accounts 2009/10 was reported to the Committee in September 2010. This report was a detailed update on the progress made against the actions from the 2009/10 interim audit, together with a follow up of 2009/10 ISA 260 recommendations.

#### **Resolved**

- 1. To note the progress made on the 2009/10 Grant Thornton Interim Audit and ISA 260 recommendations.**
- 2. To note the comments of the Committee.**

## Procurement

### 45/10 Contract Waivers

The Committee considered a report which stated that the Council's revised Contract Procedure Rules approved by Council in May 2009 required that all waivers must also be reported by the Head of Procurement on a quarterly basis to this Committee so they could be monitored.

**Resolved to note the report.**

## Regularity Framework

### 46/10 Anti-Money Laundering Policy

The Committee considered a report which stated that as a responsible public body, the Council should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing and anti-money laundering regimes. The Council responded to this by implementing an Anti-Money Laundering Policy in 2006. The report sought approval of a revised Anti-Money Laundering Policy and the revised procedures document.

**Resolved**

- 1. To approve the revised Anti-Money Laundering Policy.**
- 2. To approve the revised procedures document.**
- 3. To request that the committee receives a report annually, on the issues notified under the policy.**

### 47/10 Confidential Reporting Code

The Committee considered a report which stated that the Public Interest Disclosure Act 1998 sets out a framework for the public interest whistleblowing, which protects workers from reprisal because they have raised a concern about malpractice. The Confidential Reporting Code outlines the Council's arrangements in response to this legislation. The report sought approval of the revised Confidential Reporting Code.

**Resolved**

- 1. To approve the revised Confidential Reporting Code.**

- 2. To request that the Committee receives a report annually on the issues notified under the code.**

48/10      Risk Management Handbook

The Committee considered a report which stated that the Risk Management handbook updated and pulled together into one document the Council's current risk management framework guidance.

**Resolved to approve the Risk Management handbook subject to the addition of a foreword written by the Chair of the Committee and the Chair of the Strategic Risk Group and minor amendments suggested by Committee members.**

49/10      Protecting the Public Purse

The Committee considered a report which provided members with a synopsis of the Audit Commission's latest national report on fraud in Local Government. It updated the checklist for those responsible for governance to reflect the results of its annual fraud strategy.

**Resolved to note the report.**

50/10      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 progress made on implementing the actions in the Risk Management Action Plan.**
- 2. To approve the guide to Environmental Risk Management.**

Audit Activity

51/10      Internal Audit Progress Report

The Committee considered a report which stated that after five months of the Audit Plan year, Internal Audit was now performing behind its two reported performance targets. One of the audits finalised during the period achieved an unsatisfactory overall control rating and, as such should receive the Committee's

particular attention.

**Resolved**

- 1. To note the activity and performance of Internal Audit in the period 1 September to 31 October 2010.**
- 2. To call-in the audit of Pre-Employment Checks to the next meeting.**

**52/10          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”

**53/10          Internal Audit – Progress Report**

The Committee considered a report which summarised the internal audit work completed in the period 1 September to 31 October 2010.

**Resolved to note the activity and performance of Internal Audit in the period 1 September to 31 October 2010.**

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