

Time Commenced: 6.00pm
Time Finished: 8.00pm

**AUDIT AND ACCOUNTS COMMITTEE
27 MARCH 2013**

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

55/12 Apologies for Absence

Apologies for absence were received from Councillors Martin and Troup

56/12 Late Items

There were no late items.

57/12 Declarations of Interest

There were no declarations of Interest.

58/12 Minutes

The minutes of the meeting held on 6 February 2013 were agreed as a correct record and signed by the Chair.

The Committee requested a glossary of key terms to be provided to members of the Committee.

59/12 Grant Thornton Certification

The Committee considered a report which stated that the Council's external Auditors, Grant Thornton were required to certify specific government claims and returns submitted by the Council on an annual basis. For 2011/12 Grant Thornton certified five claims relating to grant income over £190 million. The detailed report from Grant Thornton was included in Appendix 2 of the report.

There had been two audit qualifications. One related to the accuracy of information, and showed significant improvement over prior years. The other related to a lack of supporting documentation being retained by the compiling department. Further details were included in paragraphs 4.3 and 4.4 of the report.

A number of other issues were also identified by Grant Thornton as part of their certification work. These were discussed in further detail in Section 4 of the report.

Resolved

- 1. To note the Grant Thornton Certification Work Report 2011/12 included at Appendix 2 of the report.**
- 2. To note the issues identified by Grant Thornton and the Council's responses to these set out in Section 4 of the report.**

60/12 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

- 1. To note the report from Grant Thornton and management responses contained within.**
- 2. To confirm that the Committee could find nothing missing from the assurances.**

61/12 Grant Thornton Audit Plan for Year End 31 March 2013

The Committee considered a report which set out the Grant Thornton audit plan for the Council for the financial year 2012/13.

Resolved to note the audit plan 2012/13 report from Grant Thornton.

62/12 Contract Waivers

The Committee considered a report which stated that there were a total of 14 waivers within report.

Broken down by directorate.

| Directorate | Number of Waivers | Approval route | | |
|--------------------------------|-------------------|----------------|----------|---------|
| | | Departmental | Urgent | Cabinet |
| Neighbourhoods | 4 | 4 | | |
| Resources | 1 | 1 | | |
| Children and Young People | 4 | 3 | 1 | |
| Chief Executives | 1 | 1 | | |
| Adults Health and Housing | 4 | 2 | 2 | |
| Total Number of Waivers | 14 | 11 | 3 | |

One of the waivers related to single (sole) supplier. Two waivers allowed for the extension of existing contracts which would be incorporated into a wider social care system in 2014. One waiver was unavoidable due to the actions of Derbyshire County Council delaying the tender process. 11 of the waivers were approved under departmental authority and a further three under an urgent action.

The Committee requested information from the Children and Young People Directorate regarding the appointment of a part time consultant and why this could not be accommodated in house. They also requested information on the cycling projects – cycling disability on what the Council was getting for its money.

Resolved

- 1. To note the report.**
- 2. To request information from the Children and Young People Directorate regarding the appointment of a part time consultant and why this could not be accommodated in house.**
- 3. To request information on the cycling projects – cycling disability on what the Council was getting for its money.**

63/12 Contract Procedure Rules

The Committee considered a report which stated that the Contract Procedure Rules were last updated in June 2009. Changes to procurement legislation and the organisational changes in the Council had made change necessary. Additionally a number of rules had been simplified to aid compliance whilst maintaining the required level of control.

The Committee raised concerns about the proposed changes to 41.1 and 42.2 - signing and sealing of contracts. The proposal was to remove the requirement for two signatures. The Committee felt that the requirement for two signatures should remain.

The Committee also requested that under 15.5 (Framework Agreements) that the following wording be used – the Head of Procurement following consultation with the relevant Cabinet Member should agreed the use of a framework agreement with the Directorate as the best procurement solution for the Council.

Resolved

- 1. To recommend Council to approve the amendments subject to the retention of the requirement for two signatures for the signing and sealing of contracts.**
- 2. To approve the wording of 15.5 to read - the Head of Procurement following consultation with the relevant Cabinet Member should agree the use of a framework agreement with the Directorate as the best procurement solution for the Council.**

64/12 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 action and the progress being made to enhance the governance framework.

65/12 Information Governance Action Plan

The Committee considered a report which provided an update on progress with implementation of the Action Plan drawn up following the audit by the Information Commissioner's Office of the Council's data protection process.

Members of the Committee raised concern in relation to item 37 on the action plan – introduce a visitor policy for the whole Council. The concern related to the door from main reception to the meeting rooms not being access controlled. This allowed people access to areas of the Council House that needed to be secure.

Resolved

- 1. To note the progress being taken on actions to improve the information governance framework.**
- 2. To investigate the issues raised in relation to security of the Council House.**

66/12 Internal Audit Progress Report

The Committee considered a report which set out the internal audit activity for the period from 1 October 2012 to 28 February 2013.

Resolved to note the activity and performance of Internal Audit for the period 1 October 2012 to 28 February 2013.

67/12 Internal Audit Plan 2013/14

The Committee considered a report which stated that the new Public Sector Internal Audit Standards required the Head of Audit to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

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 set 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 2013/14 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.

Resolved to approve the 2013/14 internal audit plan.

68/12 Appointments to the Independent Remuneration Panel

The Committee considered a report which sought approval to the appointment of Members to the Council's Independent Remuneration Panel for Members' Allowances. A recent review of term dates had highlighted that two of the panel members terms of office expired in December 2011, with a further two having expired in December 2012.

Resolved to reappoint Arthur Burns, Sue Holmes, Geoff Seymour and Gill Taylor to the Independent Remuneration Panel for Members' Allowances, for the three year period expiring December 2015.

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