

Time Commenced: 6.00pm  
Time Finished: 9.09pm

## **AUDIT AND ACCOUNTS COMMITTEE 8 July 2015**

**Present:** Councillor Hezelgrave (Chair)  
Councillors Ashburner, Grimadell, Harwood, Martin, Nawaz and Turner

In attendance  
Tony Parks – Grant Thornton  
Janie Berry – Monitoring Officer  
Richard Boneham – Head of Governance and Assurance  
Martyn Marples – Director of Finance and Procurement  
Mark Nash – Group Account – Corporate  
Gemma Hadfield – Principal Accountant - Corporate  
Linda Spiby – Acting Head of Procurement

### 01/15 Apologies for Absence

There were no apologies for absence.

### 02/15 Late Items

Members of the Committee expressed their condolences at the news that former Councillor Roberts had recently passed away. It was noted that he had been a member of the Committee for many years and in recent years had been chair of the Committee.

The Chair explained that at the next meeting the Committee needed to approve the Statement of Accounts and that there was a statutory requirement to publish the Statement of Accounts by 30 September 2015. It was therefore proposed to bring the date of the meeting forward to 29 September 2015.

**Resolved to bring forward the date of the next meeting to 29 September 2015.**

### 03/15 Declarations of Interest

There were no declarations of Interest.

### 04/15 Minutes

The minutes of the meeting held on 25 March 2015 were agreed as a correct record and signed by the Chair.

Minute no 66/14 Pay and Reward – Janie Berry – Monitoring Officer gave an update on the latest position in relation to pay and reward.

Minute 68/14 (60/14) – Janie Berry – Monitoring Officer gave an update on the consideration of the Casey Report by the Licensing Committee.

05/15 Appointment to the Central Midlands Audit Partnership Board

**Resolved to appoint Councillor Harwood to the Central Midlands Audit Partnership Board.**

06/15 Audit Committee Update – External Audit

The Committee considered a report from Grant Thornton which provided progress in delivering their responsibilities as external auditors. The report included a summary of emerging national issues and developments that may be relevant to the Committee and a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Committee expressed concern about delays in obtaining supporting HR records. The Monitoring Officer explained that a payroll audit had taken place and that the results of the audit would be reported to this Committee in due course.

**Resolved to note the report.**

07/15 Reporting on Waivers

The Committee considered a report which set out details of 11 waivers during the period 12 March and 16 June 2015.

Broken down by directorate we had

Directorate	Number of Waivers	Classification	
		Unavoidable	Avoidable
Resources	2	1	1
Neighbourhoods	8	2	6
CYP	1		1
<b>Total Number of Waivers</b>	<b>11</b>	<b>3</b>	<b>8</b>

Members of the Committee asked for further information on

- how many posts were involved in the specialist consultancy to cover vacancies which could not be filled?
- Temporary catering staff to service requirements of the Derby LIVE catering section – how many staff did this involve, on what basis was Michael Wisher selected and why could existing agency staff not be used?
- How many fire evacuation chairs were needed for use at the Arena?

## Resolved

1. To note the report.
2. To request the Director of Finance and Procurement to circulate the responses to the questions raised to the Members of the Committee.

### 08/15 Contract Procedure Rules – Legislation Update

The Committee considered a report which stated that the European Union (EU) Procurement Directive came into force in April 2014. Member states have had two years to implement them at National Level. The UK's implementation of the directive, the [Public Contracts Regulations 2015](#) (Regulations) were laid in Parliament on 5 February 2015 and took effect from 26 February 2015.

These Regulations govern public procurement for any goods, services or works over specified thresholds and incorporate the Lord Young Reforms to provide access to Small and Medium Enterprises (SME's).

The Council's Contract Procedure Rules (CPR's) provide procurement guidance to officers to ensure compliance with these Regulations. The CPR's also set rules determined by the Council for under the EU threshold procurements and detail the required approval processes to reduce risk to the Council and officers.

In light of the implementation of the Regulations, the Council has updated the current CPR's to reflect the changes. Approval was being sought for these amendments to be implemented throughout the Council.

**Resolved to recommend Council to approve the changes in the Contract Procedure Rules outlined in Appendix 2 and paragraph 4.1 of the report subject to the minor amendment of paragraph 7.2 of Appendix 2 of the report.**

### 09/15 Draft Statement of Accounts 2014/15

The Committee considered the Draft Statement of Accounts for 2014/15.

## Resolved

1. To note the Draft Statement of Accounts.
2. To send comments and questions to Mark Nash (Group Accountant - Corporate) and he would co-ordinate an appropriate response.

### 10/15 Annual Audit Opinion 2014/15

The Committee considered a report which provided Members with the Head of Governance and Assurance's opinion on the adequacy and effectiveness of the Council's internal control environment. The report also contained the annual internal audit report for 2014/15.

**Resolved**

- 1. To note the Head of Governance and Assurance's opinion on the internal control environment.**
- 2. To note the annual report.**

11/15      Review of the Effectiveness of Internal Audit 2014/15

The Committee considered a report which was designed to give Members an overview of the effectiveness of Internal Audit, as required by the Accounts and Audit (England) Regulation 2011. The findings of the review were highlighted in sections 5 to 7 of the report and in the associated appendices and concluded that the Council had an effective internal audit function.

**Resolved to note the findings and the conclusion that the Council had an effective internal audit function.**

12/15      Annual Governance Statement 2014/15

The Committee considered a report which stated that production and publication of the Annual Governance Statement was a statutory requirement. The 2014/15 Statement reflected the on-going work within the Council to improve its governance framework.

**Resolved to approve the draft Annual Governance Statement 2014/15 set out in Appendix 2 of the report.**

13/15      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.**

14/15      Corporate Risk Management Annual Report 2014/15

The Committee considered a report which stated that one key role of the Committee was to consider, approve and monitor the effective development and operation of risk management in the Council. The report outlined the developments in the Council's risk management framework during 2014/15. The report had been produced to enable

Members to review the key improvements in risk management in the year and to assess the levels of assurance that the Committee could provide to both Council Cabinet and Council

**Resolved**

- 1. To note the actions and the progress made to enhance the risk management framework.**
- 2. To advise Council Cabinet and Council that further work was required to properly embed a robust risk culture.**
- 3. To note that future annual reports would be provided jointly by the Chair of the Audit and Accounts Committee and officers.**

15/15 Internal Audit Progress Report

The Committee considered the Internal Audit progress report covering the period 1 March to 31 May 2015.

**Resolved to note the report.**

16/15 Covert Surveillance

The Committee considered a report which stated that following the last inspection of the Council in 2013 by a commissioner from the Officer of the Surveillance Commissioner (OSC) the Committee approved an Action Plan that included a commitment to ensure that Members received updates on the Council's usage of covert surveillance. The report provided an update for the period 1 April 2014 to 31 March 2015.

**Resolved to note that there had been one application made to the magistrates' court for the use covert surveillance between 1 April 2014 and 31 March 2015.**

Minutes End