

Time Commenced: 6.00pm  
Time Finished: 7.40pm

**AUDIT AND ACCOUNTS COMMITTEE**  
**25 March 2015**

**Present:** Councillor Tittley (Chair)  
Councillors Ashburner, Harwood, Hezelgrave, Sandhu and Turner

In attendance

Phil Jones and Tony Parks – Grant Thornton

Janie Berry – Monitoring Officer

Richard Boneham – Head of Governance and Assurance

Ray Poxon – Head of Procurement

Martyn Marples – Director of Finance and Procurement

Mark Nash – Group Account - Corporate

John Massey – Head of Benefits and Exchequer Services

Frank McGhee – Director of Commissioning

David Cox – Team Leader Pay and Reward

Liz Moore – Acting Head of Service - HR

Diane Sturdy – Acting Head of Service – OD, Employee Relations and Pay and Reward Strategy

**65/14 Apologies for Absence**

Apologies for absence were received from Councillors Campbell and Davis.

**66/14 Late Items**

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that it should be considered as a matter of urgency because this was the last meeting of the Committee during the current Municipal Year and it was felt that the Committee should be briefed on the latest position in relation to:

- Pay and Reward

**67/14 Declarations of Interest**

There were no declarations of Interest.

**68/14 Minutes**

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

Minute no 55/14 – it was noted that there were 13228 houses in the council housing stock.

Minute no 57/14 – Frank McGhee - Director of Commissioning, attended the meeting to explain the reasons for the waiver in respect of furniture for two new children's homes.

Minute 60/14 – it was noted that Members of the Corporate Scrutiny and Governance Board and the Chair of the Licensing Committee had not been invited to this meeting because the Committee were not in a position to consider the item until further preparatory work had been undertaken. It was anticipated that this item would be considered at the next meeting.

#### 69/14 Pay and Reward Briefing

The Committee received a briefing from the Pay and Reward Team on the Pay and Reward Project. This included how the project plan had been developed, the need to strengthen the project management and how governance was being dealt with. There had been two days of staff briefings on 2 and 3 March 2015. Schools had been offered briefings which would take place during March and April 2015. The anticipated implementation date for the project was 1 January 2016.

**Resolved to note the briefing.**

#### 70/14 Review of Invoices Processed

The Committee considered a report which stated that the Council procured Moore Stephens Limited to conduct a review of purchase ledger transactions and to identify process efficiency opportunities within the invoice processing team (Accounts Payable). The report set out the positive outcomes from that.

**Resolved**

- 1. To note the findings from the review of the Accounts Payable transactions and payment recoveries of £72,904.21.**
- 2. To request random checks be carried out on invoices below £1,000 and the findings be reported back to this Committee.**

#### 71/14 The Audit Plan for Derby City Council Year Ending 31 March 2015

The Committee considered a report from Grant Thornton the Council's external auditors which set out the audit plan for the financial year 2014/15

**Resolved to note the report.**

## 72/14 Informing the Audit Risk Assessment

The Committee considered a report which stated that under the 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 specified 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.**

## 73/14 Governance Update

The Committee considered a report which provided an update on the developments being made within the Council's governance framework. The Committee welcomed the additional resource being put into the Audit, Governance and Freedom of Information sections.

### **Resolved**

- 1. To note the actions and the progress being made to enhance the governance framework.**
- 2. To request a report, at the appropriate time, on the impact of the additional resource in the Information Governance and Insurance and Risk sections.**

## 74/14 Internal Audit Annual Plan

The Committee considered a report which stated that the Public Sector Internal Audit Standards stated that annually the Head of Audit was responsible for developing a risk-based plan.

A fundamental role of Internal Audit was to provide members and senior management with independent assurance on the Derby City 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 Derby City Council's overall control environment. Internal Audit must therefore have sufficient resources to deliver the Audit Plan.

The audit work planned for 2015/16 would inform the Head of Audit’s opinion on the internal control environment that existed within Derby City Council. The Head of Audit reports his overall opinion to the Audit and Accounts Committee on an annual basis.

The report provided Committee with an 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 2015/16 internal audit plan.**

**75/14 Accounting Policies 2014/15**

The Committee considered a report which stated that the Council was proposing to make changes to its Accounting Policies for 2014/15.

**Resolved to approve the 2014/15 Accounting Policies outlined in Appendix 2 of the report, including changes to the recognition of Voluntary Aided Schools.**

**76/14 Reporting on Waivers**

The Committee considered a report which set out details of 8 waivers during the period 22 January 2015 to 12 March 2015.

Broken down by directorate we had.

Directorate	Number of Waivers	Approval route		
		Departmental	Urgent	Cabinet
AHH	1	1		
Neighbourhoods	6	5		1
CYP	2	2		
Chief Executive	2	2		
<b>Total Number of Waivers</b>	<b>11</b>	<b>10</b>		<b>1</b>

**Resolved**

- 1. To note the report.**
- 2. To summon officers to attend the Committee where appropriate to explain waivers if the Committee had concerns about them.**
- 3. To summon the Interim Strategic Director of Neighbourhoods to the next**

**meeting to explain the need for the waiver for the preparation of the flood risk management policy.**

Minutes End