

ITEM 4

Time Commenced: 6.00pm
Time Finished: 7.35pm

AUDIT AND ACCOUNTS COMMITTEE 30 October 2013

Present: Councillor Roberts (Chair)
Councillors Ashburner, Davis Harwood, Martin, Troup and Turner

Councillor Martin was absent for the duration of minute numbers 35/13 and 36/13.

28/13 Apologies for Absence

Apologies for absence were received from Councillor Campbell.

29/13 Late Items

There were no late items.

30/13 Declarations of Interest

There were no declarations of Interest.

31/13 Minutes

The minutes of the meeting held on 24 September 2013 were agreed as a correct record and signed by the Chair.

32/13 Reporting Waivers

The Committee received a report from the Strategic Director of Resources, which was introduced by the Head of Procurement. The Committee was informed that 25 contractual waivers had been reported between March and September 2013.

The Head of Procurement explained the purpose of waivers and the restricted circumstances in which they could be deemed necessary. In addition, the Head of Procurement explained the review process undertaken by departmental management teams, following the use of a waiver.

The Committee considered each of the waivers contained within appendix 2 of the report and noted that there had been an increase within the previous twelve months. The Committee expressed its concern at the prospect of the number of waivers continuing to increase and emphasised the need for a decrease in numbers. In response to requests for further details regarding the reasons for the waivers (listed in appendix 2) the Strategic Director of Resources agreed to provide written responses to the Committee.

Resolved to note the report and request the Strategic Director of Resources to provide further details in relation to the following waivers:

- **Event Security Services – Derby Live**
- **LiDar and Thermal Image Data**
- **Speakers Corner – Public Art**
- **Gritter Tracking and Control System**
- **Support to Homeless Young People**
- **Provision of 24 Hour Support to Homeless People (Milestone House Hostel).**

33/13 Public Sector Internal Audit Standards - Conformance

The Committee received a report from the Head of Governance and Assurance on behalf of the Strategic Director of Resources which assessed the Council's conformance with the new Public Sector Internal Audit Standards that came into effect from 1 April 2013.

The Committee noted that in order to comply, the Council was required to implement a Quality Assurance and Improvement Programme which would require both internal and external assessments. The Committee understood that the external assessment would be required at least every five years. In accordance with the new standards, the Chief Audit Executive would be required to ensure the inclusion of a statement on the results of the programme in the annual report. Mindful that the external assessment would be carried out by a qualified and independent assessor from outside the organisation, the Committee discussed the cost implications associated with complying with this requirement.

Resolved to note the report and request the Strategic Director of Resources, together with the Head of Governance and Assurance, to investigate the financial and value for money implications associated with using external auditors to assess the Council's Quality Assurance and Improvement Programme.

34/13 Governance Update

The Committee considered a report from the Head of Governance and Assurance on behalf of the Strategic Director of Resources. The Head of Service explained that the number of freedom of information requests received in 2013 was 851. This equated to an average of 94 requests per month and compared to an average of 77 per month in 2012. The Committee noted with concern the continuing increased trend and discussed the resulting impact upon the Council's resources when responding to the requests. The Committee recognised the need to ensure as much public information as possible was published and accessible online. Discussion ensued concerning the possibility of using online services to direct customers to the information requested. The Committee was keen to stem the increase of requests but acknowledged that the procedure prescribed by statute restricted the Council's discretion to refuse a request.

The Committee examined the number of reported data breaches and explored the reasons for these errors. It was noted that the majority were caused by human error. The Committee noted the Strategic Director's detailed update on insurance and risk management, together with anti-money laundering and the national fraud initiative.

Resolved to note the report.

35/13 ICO – Data Protection Follow Up Audit

The Committee considered a joint report of the Strategic Director of Resources. The report recorded the outcome of the follow up audit which was conducted by the Information Commissioner's Office in July 2013. The audit examined the Council's data protection processes and measured the extent to which Derby City Council had implemented the previously agreed recommendations.

Resolved to note the report and welcome the revised *reasonable assurance* rating allocated by the Information Commissioner's Office in respect of the Council's arrangements to ensure non-compliance with the Data Protection Act is mitigated.

36/13 Internal Audit Progress Report

The Committee received a joint report from the Strategic Director of Resources, which was outlined by the Head of Governance and Assurance. The report tracked the Council's performance across a range of areas and monitored the effectiveness of the Council's governance arrangements, risk management framework and internal control environment.

The Committee discussed the data security implications arising from the new flexible ways of working adopted by the Council under the direction of the Derby Workstyle Board. The Strategic Director outlined the Council's approach to risk management and explained that whilst audit identified risks, the Council could recognise the risk but use its discretion to balance it against the benefits of flexible ways of working.

Resolved to note the Internal Audit Progress report.

Minutes End