

ITEM 4

Time Commenced: 6.00pm
Time Finished: 7.42pm

AUDIT AND ACCOUNTS COMMITTEE **25 February 2015**

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

In attendance

Councillor Shanker – Cabinet Member for Governance and Transformation

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

Zoe Bird – Payroll Manager

John Massey – Head of Benefits and Exchequer Services

50/14 Apologies for Absence

An apology for absence was received from Councillor Sandhu.

51/14 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late items on the grounds that they should be considered as a matter of urgency because they related to items already being considered at this meeting:

- Protecting the Public Purse Fraud Briefing
- Report of the Inspection of Rotherham MBC
- Corporate Governance

52/14 Declarations of Interest

There were no declarations of Interest.

53/14 Minutes

The minutes of the meeting held on 8 December 2014 were agreed as a correct record and signed by the Chair.

54/14 Central Midlands Audit Partnership

The Committee received an update on the work of the Central Midlands Audit Partnership. It was noted that discussions were on going about the approach to a county wide shared audit service.

Resolved to note the update.

55/14 Protecting the Public Purse Fraud Briefing

The Committee considered a report of the Audit Commission and a supplementary report of the Acting Chief Executive on protecting the public purse fraud briefing 2014.

Derby City Council had submitted data on the Council's fraud activities. On reviewing the briefing the results of some actions taken by the Council's Benefit Fraud Team had been omitted and therefore the report under estimated the extent of the activities undertaken by the Council's Benefit Fraud Team. This information was considered along side the Briefing from the Audit Commission.

Members of the Committee asked about the number of houses in the Council's stock. In respect of Blue Badge fraud it was noted that this was not reported because records had not been kept.

In relation to 'other frauds' Members of the Committee requested clarity on which frauds these were.

Resolved

- 1. To note the Audit Commission's Briefing.**
- 2. To note that the Audit Commission briefing did not include the reduction in Council Tax Support discounts at a value of £23,097 resulting from actions taken by the Council's Fraud Team on 20 individual cases.**
- 3. To request that the Committee be informed of the number of houses in the Council's stock.**
- 4. To instruct the Blue Badge Team to keep records of Blue Badge Fraud.**
- 5. To request information at the next meeting on what frauds were included in the 'other frauds' slide.**

56/14 Grant Thornton – Certification Report 2014

The Committee considered a report which stated that the Councils' external auditors, Grant Thornton were required to carry out specific government grant claims and returns submitted by the Council on an annual basis. For the 2013/14 Grant Thornton had certified three claims relating to grant income of £99.5 million.

Resolved to note the Grant Thornton Certification Work Report 2013/14.

57/14 Reporting on Waivers

The Committee considered a report which set out details of 8 waivers during the period 7 November 2014 to 21 January 2015.

Broken down by directorate we have.

Directorate	Number of Waivers	Approval route		
		Departmental	Urgent	Cabinet
AHH	1	1		
Neighbourhoods	2		1	1
Resources	2	1		1
CYP	3	3		
Total Number of Waivers	8	5	1	2

Members of the Committee expressed concern about the numbers of waivers being agreed. It was noted that the numbers of waivers being applied for were also reported to Chief Officer Group and Council Cabinet.

In respect of the waiver relating to furniture for two new children's homes the Committee requested that the Strategic Director for Children and Young People be summoned to the next meeting to explain why the waiver was necessary.

Resolved

- 1. To note the report.**
- 2. To summon the Strategic Director for Children and Young People to the next meeting to explain the need for the waiver for furniture for two new children's homes.**

58/14 Freedom of Information – Annual Report 2014

The Committee considered a report which provided a summary report on requests for information received in 2014 under the Freedom of Information Act.

Resolved to note the report.

59/14 Data Protection Update

The Committee considered a report which gave an update on specific data protection issues.

Resolved

- 1. To note the report.**
- 2. To request that in the future an annual information governance report be produced for the Committee.**

60/14 Annual Governance Statement – Action Plan Update, Report on the Inspection of Rotherham MBC and Corporate Governance

The Committee considered three reports, the Annual Governance Statement – Action Plan Update which provided the Committee with an update on the progress with the action plan to address significant governance issues raised in the Annual Governance Statement 2013/14.

The Report on Inspection of Rotherham MBC had been referred to this Committee by the Corporate Scrutiny and Governance Board for consideration.

The report on Corporate Governance provided the Committee with an update on corporate governance and the work being done to address the issues previously identified during the Autumn of 2014 by the Monitoring Officer as well as governance issues identified in recently published high – profile national reports on other councils. A newly formed Governance Working Group was building on existing work and areas of good practice to develop an Action Plan.

All three reports were considered together because they were all related to each other.

The Monitoring Officer reported that the outcome and report of the investigation relating to job evaluation was still awaited. The Corporate Scrutiny and Governance Board had considered the report on the inspection of Rotherham MBC and referred the report to this Committee to lead on the response. The Board had requested that they work with this Committee and the Cabinet Member for Governance and Transformation on the response. There were also links with the Licensing Committee and therefore the Chair

of the Licensing Committee would also be invited to future meetings of the Committee this was to ensure there was an holistic approach across all areas of the Council.

The Cabinet Member stated that a working group had been set up to carry out a fundamental review of governance and the Committee would receive regular updates. It was anticipated that this would take up to 18 months to complete but would be very robust review.

Members of the Committee asked what mechanisms were in place if there were issues that needed addressing immediately. The Monitoring Officer explained the role of the statutory officers and how they were required to act in respect of their statutory roles.

A summary of the areas of the Rotherham report which the Committee needed to consider would be prepared rather than going through the report line by line.

Phil Jones (Grant Thornton) welcomed the proposals being put forward for a transparent review.

Resolved

- 1. To note the progress being made against the Governance Framework Action Plan detailed in Appendix 2 of the report on addressing corporate governance issues.**
- 2. To request an update on the Action Plan at each meeting of the Committee.**
- 3. To invite Members of the Corporate Scrutiny and Governance Board and the Chair of the Licensing Committee to the next meeting.**
- 4. To note the report on the Inspection of Rotherham MBC.**
- 5. To note the proposed governance framework and nine building blocks which would be used to develop and monitor the Council's approach to corporate governance as detailed in Appendix 2 of the report.**
- 6. To note some of the immediate actions being taken by the Governance Working Group to address some issues identified under each of the Council's nine governance building blocks.**
- 7. To recommend that future progress made against the Corporate Action plan be reported to the Audit and Accounts Committee.**
- 8. To note that the Cabinet Member for Governance and Transformation would be a Member of the Governance working Group and would attend and be held to account by the Audit and Accounts Committee and required.**

61/14 Appointment of Members of the Independent Remuneration Panel for Members' Allowances

The Committee considered a report which sought approval to the appointment of Members to the Council's Independent Remuneration Panel for Members' Allowances.

Resolved to reappoint Ian Samways, Martyn Holden and Helen Foord to the Independent Remuneration Panel for Members' Allowances for the three year period expiring in December 2017.

62/14 Payroll 2013/14 Audit Report Progress Update

The Committee considered a report which provided members with an update on the payroll service procedures and quality controls, implemented as a direct result of the 2013 – 2014 internal audit recommendations.

Members of the Committee requested information on the debt recovery process at the appropriate time.

Resolved

- 1. To note the improvements in procedures, quality monitoring and overall service delivery within the payroll service following implementation of the management actions in response to the 2013 – 2014 audit report.**
- 2. To note the 2014 – 2015 interim audit findings as a benchmark on the progress made since the previous audit, especially around retrieval of the audit sample.**
- 3. To request a report at the appropriate time on the debt recovery process.**
- 4. To request an update in six months on the progress made.**

63/14 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 item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 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”

64/14 Risk Based Verification Policy

The Committee considered a report which set out some minor revisions to the Risked Based Verification Policy which was approved by the Committee at its meeting on 24 September 2015.

Resolved to approve the Council's revised Risk Based Verification Policy as signed by the Section 151 Officer set out in Appendix 2 of the report.

Minutes End