

Time Commenced: 6.00pm  
Time Finished: 7.15pm

## **AUDIT AND ACCOUNTS COMMITTEE 6 FEBRUARY 2013**

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

### **45/12 Apologies for Absence**

Apologies for absence were received from Councillor Troup

### **46/12 Late Items**

There were no late items.

### **47/12 Declarations of Interest**

There were no declarations of Interest.

### **48/12 Minutes**

The minutes of the meeting held on 12 December 2012 were agreed as a correct record and signed by the Chair.

### **49/12 Accounts Training**

The Committee received a presentation provided by the Group Accountant (Corporate) on scrutiny of the accounts.

The presentation covered the roles and responsibilities of finance team, statutory finance office (Section 151 Officer), external auditors and the committee itself. The committee was advised of the general assurances it should seek, such as whether previous issues had been addressed, whether officers were properly trained and qualified, whether internal controls were sufficient, that policies were up to date and the Code of Practice had been adhered to and whether a senior officer had reviewed the accounts.

Key statements that the committee would need to consider were highlighted, including a comprehensive account of income and expenditure, cash flow and the balance sheet, and key notes presented included expanding on the council's borrowing, liability, reserves, assumptions and capital spending. Finally, the officer gave notice of further considerations the committee may wish to make. These included whether the accounts were free from material error, that legislation dictated certain transactions but also required a degree of discretion to be applied to the level of reserves, provisions and

inclusion of contingent liabilities.

The committee sought clarity on some of the terms used and suggested that it would be helpful to better understand some of the technical terminology.

Further information confirming the steps taken by external auditors was provided by representatives of Grant Thornton UK LLP.

**Resolved to:**

- 1) Note the presentation; and**
- 2) Request that a glossary of key terms be provided to members of the committee.**

**50/12 Update on Housing and Council Tax Benefits Subsidy Audit**

The committee received a report from the Strategic Director of Resources, which was presented by the Director of Customer Management. The report provided an update on the council's benefit subsidy accounts for 2009/10, 2010/11 and 2011/12 and of consequential budget implications relating to potential claw back of Government subsidy.

It was reported that the auditor conducting the 2011/12 had given positive feedback and that the requirement for future years' audits to include additional testing would be subject to review.

**Resolved to note:**

- 1) The continuing work and revised position in relation to 2009/10 subsidy claim and efforts to minimise the level of claw back of £1.49m, currently representing a 1.68 per cent variation to the original claim;**
- 2) The conclusion of the 2010/11 audit and settlement of £610,000 claw back, representing a 0.63 per cent variation to the original claim;**
- 3) The conclusion and improvement of the 2011/12 audit and the potential for £259,000 claw back, representing a 0.26 per cent variation to the original claim;**
- 4) The overall budget provision of £2.359m for settlement of all three claims; and**
- 5) The the actions put in place by the Benefit Service and continuous improvements made with regard to subsidy from 2009/10 to 20011/12.**

**51/12 Public Sector Internal Audit Standards**

A report from the Head of Governance and Assurance was considered. The report detailed changes to Internal Audit standards from 1 April 2013. These included the requirement that the chief audit executive, a role currently undertaken by the Head of

Governance and Assurance, was required to be suitably qualified and experienced.

In response to questions from members, it was confirmed that the council's existing arrangements complied with the new requirements.

**Resolved to note the report.**

#### 52/12 Freedom on Information Annual Audit

A report of the Strategic Director of Resources, detailing Freedom of Information activity in the 2012 calendar year, was considered.

In response to questions from members, the Head of Governance and Assurance confirmed Freedom of Information responses now included an estimate of the cost to the council in terms of officer time.

**Resolved to note the report.**

#### 53/12 Protecting the Public Purse 2012

Further to a request by the committee at its meeting on 12 December 2012, a report of the Strategic Director of Resources detailing activity of the Fraud Investigation team was considered. The report included a comparison of Derby's position in the context of other local authorities.

**Resolved to note the report.**

#### 54/12 Anti-Bribery Policy and Procedure

A report of the Strategic Director of Resources was considered. The report detailed how the council's Anti-Bribery Policy had been approved by the committee at its meeting on 1 December 2011. A number of amendments to the policy were considered including:

- The inclusion of potential penalties;
- The role of 'associated persons';
- Detail of risk assessment and how gaps would be addressed; and
- Inclusion of the recording of training.

Following members' questions, the Head of Governance and Assurance confirmed he was unaware of any instances in which employees had failed to comply with the policy.

**Resolved to approve the amended Anti-Bribery policy and procedure.**

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