

# AUDIT AND GOVERNANCE COMMITTEE

Tuesday 27<sup>th</sup> April 2010

**COUNCILLORS PRESENT FOR THE WHOLE OF THE MEETING:** The Chair (Councillor Beverley Hazell), Councillors Stephen Brown, Clark Brundin and Bryan Keen.

**COUNCILLORS PRESENT FOR PART OF THE MEETING:** The Vice-Chair (Councillor Craig Simmons) and Councillor Oscar Van Nooijen.

**OFFICERS PRESENT FOR THE WHOLE OF THE MEETING:** Peter Sloman (Chief Executive), Mathew Metcalfe and Jeremy Thomas (Law and Governance) and Sarah Fogden, Carol Quinton and Paul Jemmetta (Finance).

**OFFICERS PRESENT FOR PART OF THE MEETING:** Simon Howick, Melanie Falkner-Barrett, Peter Clark and Mark Preston (People and Equalities), Steve Sprason (Corporate Assets).

## 108. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Roy Darke.

The Chair wished to thank the Vice-Chair (Councillor Craig Simmons) who was standing down at the May elections, for his service to the Audit and Governance Committee. Councillor Brundin who had previously been the Chair of the Audit and Governance Committee underlined Councillor Hazell's thanks and said that Councillor Simmons contribution had been invaluable.

## 109. DECLARATIONS OF INTEREST

None declared.

## 110. NOTIFICATION OF URGENT BUSINESS

None notified.

## 111. ADDRESS BY A MEMBER OF THE PUBLIC

Jane Alexander spoke and said that she noted with concern agenda item 7 (Oxford City Council asset Management – Follow-up Progress Review 2009/10) and how the City Council proposed to deal with leisure facilities and in particular the closure of the Temple Cowley Pools. She said that the replacement pool according to the Leader of the Council, Councillor Bob Price would be larger than the existing Temple Cowley Pools. She said that the City Council was paying "lip-service" to the views of the electorate and was against the democratic process.

The Committee agreed to note the issues raised by Jane Alexander.

## **112. ACCOUNTS CLOSURE 2009/10 - UPDATE**

Sarah Fogden updated the Committee on the position regarding the closure of the accounts. She said that the Close Down was now complete and that a revenue outcome report would be submitted to the City Executive Board. All of the assets had been reconciled and she was awaiting the valuation information from the external valuers and once this was received the capital would then be completed.

Sarah Fogden said that there were still some problems with the PARIS Management Information system, however all of the forward entries onto the system had been completed and the system was being tested in the backwards entries to January 2010.

In response to questions, Sarah Fogden said that with regard to Logotech, all assets had been reconciled in November and December and that a total of 3 officer days had been used where the Council had Logotech Officers come the Council. With regard to City Works and Fleet Plan she said that she was comfortable with the figures and that all of the reconciliations apart from one were now complete.

The Committee agreed to note the update.

## **113. INTERNAL AUDIT SUMMARY REPORT – 2010/11 PLAN – PRICEWATERHOUSECOPPERS (PWC)**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors. The report provided an update of the work undertaken as part of the 2009/10 Internal Audit Plan.

Christopher Dickens (PWC) introduced the report and said that all of the field work had now been completed and that the final reports were now being finalised.

The Committee agreed to note the report.

## **114. CITY WORKS – PRICEWATERHOUSECOOPERS (PWC)**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors. The report presented the findings of a high level review recently undertaken following City Works being highlighted as a high risk area during a review of the Council's internal control framework.

Katherine Bennett (PWC) introduced the report and took the Members through each of the high risk areas detailed in the report. Paul Jemmetta also answered questions on the high risk areas and the actions the Council was taking to address these.

The Committee agreed:

- (a) To note the report;
- (b) To note the actions being taken by City Council Officers to address the areas identified as "risk areas" especially the high risk areas;

- (c) To thank Paul Jemmetta for updating the Committee further on the actions of the City Council;
- (d) To request PWC to review the procedures on Whitespace and to submit a report to the Audit and Governance Committee of their findings.

#### **115. ICT SECURITY – PRICEWATERHOUSECOOPERS (PWC)**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors. The report detailed the findings of a review recently undertaken as part of the 2009/10 Internal Audit Plan into the ICT security risks faced by the Council and their effect management and control.

Katherine Bennett (PWC) introduced the report.

The Committee agreed to note the report.

#### **116. FIXED ASSETS – PRICEWATERHOUSECOOPERS (PWC)**

The Committee noted that the report was still in the process of being finalised and therefore agreed to defer consideration of the item to the June 2010 meeting of the Audit and Governance Committee.

#### **117. HEALTH AND SAFETY – PRICEWATERHOUSECOOPERS (PWC)**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors. The report detailed the findings of a review recently undertaken as part of the 2009/10 Internal Audit Plan.

Katherine Bennett (PWC) introduced the report and said that during the review she had received feedback which had raised a number of issues which were followed up, but overall the responses were all positive.

In response to questions, Mark Preston said that while there was good support and compliance from the Service Areas, there was still work to be undertaken. Simon Howick added that he felt that the "moderate" rating given for the review was the right rating and meant that the focus on the issue had to be maintained.

Mark Preston said the Risk Assessments had to be complete and this had meant a huge paper-chase to ensure this, however he now had an on-line package to manage this and all of the information etc. required for this would be in place by the end of June 2010.

The Committee agreed:

- (a) To note the report;
- (b) To request that the Head of People and Equalities submit a brief update on risk assessments to the June 2010 meeting of the Audit and Governance Committee.

## **118. OXFORD CITY COUNCIL ASSET MANAGEMENT – FOLLOW-UP PROGRESS REVIEW 2009/10**

The Head of Corporate Assets submitted a report (previously circulated, now appended) which advised the Committee of the outcome of a recently undertaken follow-up progress review by the Audit Committee. A further report was also submitted (previously circulated, now appended).

Alan Witty from the Audit Commission introduced the reports.

Steve Sprason said that he was pleased with the outcome of the review as all the indicators were either green/amber, but there was still work to be done and the momentum had to be maintained.

In response to questions, Steve Sprason said that to turn the amber indicators to green, would mean a prioritization of resources. He had a detailed Action Plan for this, however the biggest challenge was the automating of the systems and making Uniform and Aggresso “speak” to each other, as this was still a manual process.

Councillor Brundin said that all of the recommendations were competing with each other and it was vital that any concerning the maintenance of the assets were not deferred. He said that it should be accepted that to clear the maintenance backlog the returns from the assets would be lower in the short term. Councillor Hazell said that the key issue was maximising the returns from the investments.

The Committee agreed:

- (a) To note the report;
- (b) To note that any actions arising would be dealt with through the intended refresh of the Council’s Strategic Assessment Management Plan, which was being overseen through the Corporate Asset Management Group (Board).

## **119. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

The Head of Finance submitted a report (previously circulated, now appended) which updated the Committee on the progress made on the implementation of the audit recommendations.

Sarah Fogden introduced the report and in response to questions said that the recommendations from both PWC and the Audit Commission were tracked, although this was currently using an excel spreadsheet. She added though that all of the information was currently being put into Corvu which would allow for better formatted reports to be produced and submitted to the Committee.

The Committee agreed to note the report.

## **120. IMPLEMENTATION OF EQUALITY STANDARDS**

The Head of People and Equalities submitted a report (previously circulated, now appended) which provided an update on equalities issues, and in particular progress against the equalities standards set out in the Equality Framework for Local Government.

The Committee agreed:

- (a) To note the changes to the Framework and the progress to date;
- (b) To note the challenges ahead in attaining the “Achieving” level under the Equality Framework for Local Government;
- (c) To note the commitment and processes that had been put in place to attain the “Achieving” level.

## **121. USE OF RESOURCES UPDATE**

The Chief Executive, Peter Sloman informed the Committee that he had recently had a formal meeting with the Audit Commission on Use of Resources which was very positive.

Alan Witty from the Audit Commission said that the Council's scores had improved in a number of areas which could be demonstrated by outcomes. He said that for the first time as part of the process sustainability/green issues were looked at, which was a difficult area to assess, however the City Council could demonstrate outcomes in this area which was very good.

Peter Sloman said that the results of the Use of Resources would be released in September, following their moderation.

The Committee agreed to note the position.

## **122. AUDIT COMMISSION PROGRESS REPORT**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission, which set out the progress that the Audit Commission had made in delivering the work set out in the 2009/10 Audit Plan.

The Committee agreed to note the report.

## **123. BENEFIT INVESTIGATION – 2009/10 OUTCOMES**

The Head of Finance submitted a report (previously circulated, now appended) which provided the Committee with details of benefit fraud investigations and outcomes for the period 2009/10.

The Committee agreed to note the report.

## **124. SKILLS OF AUDIT AND GOVERNANCE COMMITTEE MEMBERS**

The Chair (Councillor Hazell) introduced the item and posed the question “what attributes did the Members of the Audit and Governance Committee need?” She said that the various political groups should consider this prior to them making appointments to the Committee.

Christopher Dickens (PWC) said that a balance of skills was required, but it was important that the Committee had Members that would challenge and have an interest/desire/drive to ask questions etc.

Alan Witty said that to have inquiring minds and to be non-political was important. He also said that the Audit and Governance had to be separate from Scrutiny as it was not another forum for Scrutiny, the two had to be divorced.

Councillor Hazell felt that it was good not to have too many Members who were also Members of a Scrutiny Committee on the Audit and Governance Committee. Christopher Dickens said that there was some confusion in Local Authorities of the role of Audit and the role of Scrutiny and training would be good to explain the difference.

Councillor Brundin said that the Chair of the Audit and Governance Committee should not also be a chair of a Scrutiny Committee.

Councillor Van Nooijen asked the question whether it had worked having a Member of the City Executive Board on the Committee. Jeremy Thomas said that he felt that it was useful to have a Board Member on the Committee.

Jeremy Thomas said that it can be useful to have continuity of membership on the Committee. Councillor Brundin added that the spread of membership on the Committee had not previously been an issue. However it was important to have the right people.

Councillor Brundin said that he felt the Audit and Governance Committee had, had more of an affect on improving the Council than any other Committee.

## **125. MINUTES**

The Committee agreed to approve the minutes (previously circulated, now appended) of the meeting held on 23<sup>rd</sup> March 2010.

## **126. MATTERS ARISING FROM THE MINUTES**

None raised.

## **127. DATES OF FUTURE MEETINGS**

The Committee noted that it would be meeting at 5.00pm on the following dates in the Town Hall.

### Council Year 2010/11

Thursday 20<sup>th</sup> May 2010 (Special meeting to elect the Chair and Vice-Chair for 2010/11)

Monday 28<sup>th</sup> June 2010

Thursday 23<sup>rd</sup> September 2010

Monday 22<sup>nd</sup> November 2010

Monday 31<sup>st</sup> January 2011

Monday 28<sup>th</sup> March 2011

## **128. FORWARD PLAN**

The Committee agreed to note the following items which would be submitted to a future meeting of the Committee.

- (1) Business Continuity – Pricewaterhousecoopers (PWC) – June 2010
- (2) Review the procedures on Whitespace – Pricewaterhousecoopers (PWC) – June 2010
- (3) Fixed Assets – Pricewaterhousecoopers (PWC) – June 2010
- (4) Update on Risk Assessments – Head of People and Equalities – June 2010
- (5) Collection Fund (Council Tax and Non-Domestic Rates) – Follow up on the progress of actions regarding medium and high issues – Head of Finance – September 2010

## **129. MATTERS EXEMPT FROM PUBLICATION**

The Committee agreed that, under Section 100A(4) of the Local Government Act 1972, the press and the public be excluded from the meeting for the remaining item of business on the grounds that their presence would involve the likely disclosure of information as described in paragraphs 2, 3 and 7 of Part I of Schedule 12A of the Act and to record that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

### **130. ALLEGATIONS OF INTERNAL FRAUD, INVESTIGATIONS AND OUTCOMES**

The Head of Finance submitted a report (previously circulated, now appended), which detailed recent investigations and outcomes of cases of alleged fraud involving Oxford City Council staff.

The Committee agreed to note the report.

### **131. CLOSURE OF MEETING**

The Chair, as this was the last Audit and Governance Committee of the 2009/10 Council Year, thanked all the Members and Officers for their work during the year and wished those Councillors standing for re-election in May 2010 well in their campaigns.

The meeting started at 5.00 pm and finished at 7.05 pm