

AUDIT AND GOVERNANCE COMMITTEE

Thursday 15th July 2010

COUNCILLORS PRESENT FOR THE WHOLE OF THE MEETING: The Chair (Councillor Beverley Hazell), Councillors Bryan Keen, Stuart McCready (substituting for Councillor Clark Brundin), Dee Sinclair (substituting for Councillor Scott Seamons) and David Williams.

OFFICERS PRESENT FOR THE WHOLE OF THE MEETING: Mathew Metcalfe and Jeremy Thomas (Law and Governance), Peter Sloman (Chief Executive), Jacqueline Yates (Director, Finance and Efficiency), Sarah Fogden (Finance), Maria Grindley and Hannah Rollinson (Audit Commission), Richard Bacon and Katherine Bennett (Pricewaterhousecoopers PWC).

OFFICERS PRESENT FOR PART OF THE MEETING: Carol Quainton (Finance)

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clark Brundin (Councillor Stuart McCready attended as his substitute), Scott Seamons (Councillor Dee Sinclair attended as his substitute), Roy Darke and David Rundle.

19. DECLARATIONS OF INTEREST

None declared.

20. ADDRESS BY A MEMBER OF THE PUBLIC

The Chair allowed Mr Sean Feeney to address the Committee and the Head of Finance and the Head of Law and Governance responded.

21. INTERNAL AUDIT SUMMARY REPORT – 2010/11 PLAN – PRICEWATERHOUSECOOPERS (PWC)

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors, Pricewaterhousecoopers (PWC), which provided an update of the work undertaken as part of the audit plan.

Katherine Bennett introduced the report and provided further information on recommendations and findings of audits recently undertaken (previously circulated, now appended):

- Business Continuity Planning – Limited Assurance
- Fixed Assets – Moderate Assurance
- VAT – Moderate Assurance
- Creditors – Moderate Assurance
- Budgetary Control – Moderate Assurance

Katherine Bennett informed the Committee that the 2009/10 Internal Audit Plan had now been completed and work had commenced on the audits outlined in the 2010/11 Internal Audit Plan.

Fixed Assets

The high risk issue related to the frequency of reconciling the various fixed assets registers. Sarah Fogden said that the end of June reconciliation was in hand and there were approximately 11 changes to the Fixed Assets Register this quarter.

VAT

No issues on general control although attention was being given to the more difficult transactions.

Creditors

Concerns around the infrastructure of the system and issues raised on debtors reports. However clear creditors procedures were in place. Officers need to spot check to ensure procedures were being followed. Purchase to pay system and a reconfiguration of Corporate Services Directorate will involve some changes to processes.

Budgetary Control

High levels of control found during the audit. Issues raised to ensure that a detailed training programme was in place for officers.

The Committee agreed to note the report and the further information and requested that the summaries of findings and recommendations continue to be submitted to the Audit and Governance Committee at future meetings.

22. BUSINESS CONTINUITY PLANNING - PRICEWATERHOUSECOOPERS (PWC)

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

Katherine Bennett (PWC) introduced the report and said that the one high priority recommendation identified related to the testing of plans.

Jeremy Thomas in response said that there was a rolling programme of testing. For the larger service areas this was based around scenarios, while for smaller service areas, such as his own, testing merely involved checking the accuracy of contact numbers.

Peter Sloman said the emphasis of the authority was on the major risks and the business continuity environment had been improved, for example with ICT moving to the County. Previously the ICT service was in the same building as most

of the Councils staff and this was a major risk. He added that home working was also being extended and this had been tested during the recent snow, with many officers being able to work from home.

In response to questions, Peter Sloman said that a card giving details of key contact numbers had been issued to key officers and Members would benefit from also being issued with these cards. Jeremy Thomas further added that the Council also had a Crisis Management Plan and that staff could check the Business Continuity Plans as they were available via the intranet.

The Committee agreed to note the report and that all Members would be issued with the “key” contacts cards.

23. AUDIT COMMISSION PROGRESS REPORT

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

Hannah Rollinson introduced the report.

The Committee agreed to note the report.

24. TRIENNIAL REVIEW OF INTERNAL AUDIT – AUDIT COMMISSION

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission, which detailed the outcomes of a review of Internal Audit.

Hannah Rollinson from the Audit Commission introduced the report and said that Internal Audit had been assessed against CIPFA and that the Council could rely on the work etc. undertaken by Pricewaterhousecoopers as the Council’s Internal Auditors.

The Committee agreed to note the report.

25. AUDIT COMMISSION – USE OF RESOURCES

Maria Grindley from the Audit Commission updated the Committee on the Council’s use of resources. She said that the Value for Money (VFM) conclusions following consultation would go out at the end of July 2010. She said initial impressions on the Accounts Audit had been pleasing as she was able to pick up the accounts and not find any gaps which had not been the case previously. Teams were now receiving responses to queries concerning fixed assets that had been flagged.

The Committee agreed to note the update.

26. MINUTES

The Committee agreed to approve the minutes (previously circulated) of the meetings held on 28th June 2010.

27. MATTERS ARISING FROM THE MINUTES

None raised.

28. DATES OF FUTURE MEETINGS

The Committee noted that it would meet in the Town Hall at 5.00pm on the following dates except for the meeting on the 23rd September 2010 which would start at 2.30pm:

Thursday 23rd September 2010

Monday 22nd November 2010

Monday 31st January 2011

Monday 28th March 2011

29. FORWARD PLAN

The Committee noted that items raised during this meeting for future updates, reports etc. would be placed in the forward plan.

30. 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.

31. 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.

The meeting started at 5.00 pm and finished at 5.40 pm