

AUDIT AND GOVERNANCE COMMITTEE

Thursday 23rd September 2010

COUNCILLORS PRESENT FOR THE WHOLE OF THE MEETING: The Chair (Councillor Beverley Hazell), Councillors Stephen Brown (Substituting for Councillor Clark Brundin), Roy Darke, Bryan Keen, David Rundle and Scott Seamons.

COUNCILLORS PRESENT FOR PART OF THE MEETING: Councillor Nuala Young (Substituting for Councillor David Williams).

OFFICERS PRESENT FOR THE WHOLE OF THE MEETING: Mathew Metcalfe and Jeremy Thomas (Law and Governance), Jacqueline Yates (Director, Finance and Efficiency), Sarah Fogden, (Finance), Maria Grindley and Alan Witty (Audit Commission), Christopher Dickens and Katherine Bennett (Pricewaterhousecoopers).

OFFICERS PRESENT FOR PART OF THE MEETING: Anna Winship, Kelly Whitehead and Carol Quainton (Finance) and Hannah Ormston (Audit Commission)

32. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Clark Brundin (Councillor Stephen Brown attended as a substitute), and Councillor David Williams (Councillor Nuala Young attended as a substitute for part of the meeting).

33. DECLARATIONS OF INTEREST

None declared.

34. ADDRESS BY A MEMBER OF THE PUBLIC

The Chair allowed Mr Sean Feeney to address the Committee and as part of his address made the following comments:

- He informed the Committee that he had made interim objections to the accounts
- He stated that Officers had prevented him from seeing documents that he said he had a right to inspect;
- He had submitted his objection to the Head of Service and was yet to receive a response and that this lack of response was an on going problem;
- He felt that there was a conflict of interest regarding Councillors and the local development framework policy, the Core Strategy.

In response Maria Grindley from the Audit Commission confirmed that she had received Mr Feeney's objection and that she had written to him for further information to frame his objection.

Jeremy Thomas with regard to the disclosure of documents said that Officers had co-operated fully with Mr Feeney's requests and it was not Officers intention to withhold information.

Councillor Darke with regard to alleged Members conflicts of interests said that Mr Feeney should raise any objections via the Code of Conduct and the Standards Committee.

35. STATEMENT OF ACCOUNTS

The Head of Finance submitted a report (previously circulated, now appended) which details the Audit Commissions Annual Governance report and the conclusions of the audit of accounts.

The Head of Finance introduced the report and informed the Committee that further work had been carried out on the accounts and that the final Statement of Accounts would be completed on 24th September 2010. In response to questions she explained that the further changes concerned the Collection Fund and Housing Subsidy.

The Committee agreed:

- (a) To note the Audit Commission's report;
- (b) To approve and authorise the appropriate Director of the Council and the Chair of the Audit and Governance Committee to sign the audited 2009/10 Statement of Accounts, letter of Representation and enable the opinion to be issued, subject to there being no significant changes occurring following the meeting of the Audit and Governance Committee on 23rd September 2010, other than those already detailed at the meeting (the £125k Collection Fund adjustment that must be shown on the face of the Income and Expenditure Accounts, and the £525k housing subsidy creditor that was held in debtors balances in error);
- (c) To request the Head of Finance to circulate that final Statement of Accounts (Version 3) to all Members of the Audit and Governance Committee for information, with a note highlighting the changes.

36. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission, which provided a summary of the findings from the 2009/10 audit which is substantially completed.

Maria Grindley from the Audit Commission introduced the item and said that progress had been very good this year with a great deal of work undertaken by

Officers and that there was still some further work to be completed on on-going issues.

The Committee agreed:

- (a) To note the report:
- (b) To thank the Audit Commission and City Council Officers for their work;
- (c) To request the Head of Finance to submit to the Audit and Governance Committee the draft Action Plan detailing the recommendations and the Officers responsible for their implementation.

37. AUDIT COMMISSION INTERIM MEMO

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission, which set out the findings from the interim audit on preparation for the work to be undertaken on the 2009/10 financial statements for the Council.

The Committee agreed to note the report.

38. 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.

Alan Witty from the Audit Commission introduced the report.

The Committee agreed to note the report.

39. 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 from Pricewaterhousecoopers introduced the report and highlighted the changes to the Audit Plan and the additional days required to conduct the audits detailed in the Plan.

The Committee agreed:

- (a) To note the report;
- (b) To request that a further report be submitted to a future meeting of the Audit and Governance Committee detailing progress on resolving the three "high risk" issues outstanding regarding City Works.

40. PROGRESS ON INTERNAL AUDIT RECOMMENDATIONS

The Head of Finance informed the Committee that all recommendations were reviewed by Officers and actions put in place for their implementation.

The Committee agreed:

- (a) To request the Head of Finance to provide a copy of the draft report on “Progress in Internal Audit Recommendations” to the Chair and Vice-Chair of the Audit and Governance Committee for information;
- (b) To request the Head of Finance to submit a report to the November 2010 meeting of the Audit and Governance Committee detailing progress on Internal Audit recommendations;
- (c) To request the Head of Finance to submit a report to a future meeting of the Audit and Governance Committee on progress with regard to the recommendations concerning the Council Tax service.

41. FIRST QUARTER RISK REPORT

The Head of Finance informed the Committee that its role in Risk Management had changed following the approval of the Risk Strategy for 2010. The Committee's role is to confirm that quarterly reports have been submitted to the City Executive Board and to review the risk summary profile. The first quarter report is due to be submitted to the City Executive Board on 6th October 2010 and following this would be submitted to the Audit and Governance Committee.

The Committee agreed to note the update from the Head of Finance and that the Chair of the Audit and Governance would make a statement to Council.

42. COMPLIANCE WITH INTERNATIONAL AUDITING STANDARDS

The Committee received a letter (previously circulated, now appended) from the Audit Commission requesting the assistance of the Chair and Audit and Governance Committee with the Audit Commission's current work on the Council's accounts for 2009/10.

The Chair outlined the following:

- (a) Establishment of the Audit and Governance Committee working Group to oversee the process of Accounts Closure;
- (b) Internal Audit Recommendations Tracking System – Allows the Committee to be informed of progress;
- (c) Member/Officer Protocol;
- (d) Employee Code of Conduct detailed in all employees contract of employment;

- (e) Members meeting with the Audit Commission.

The Committee agreed to note the letter from the Audit Commission and that there were no issues with required reporting and that the Chair of the Audit and Governance Committee would assist the Audit Commission with its work with the Councils accounts for 2009/10.

43. KEY OPERATIONAL DOCUMENTS RELAITNG TO THE PREVENTION AND DETECTION OF BENEFIT FRAUD

The Head of Finance submitted a report (previously circulated, now appended) which informed the Committee of the key operational documents relating to the prevention and detection of benefit fraud as approved by the City Executive Board on 1st September 2010.

Carol Quinton introduced the report.

The Committee agreed to note the report.

44. MINUTES

The Committee agreed to approve the minutes (previously circulated) of the meetings held on 15th July 2010 subject to the following amendment:

- (a) In minute 20 (Address by a member of the public) include the following:

Mr Feeney as part of his address made the following comments:

- (i) Made requests by recorded delivery and under the Freedom of Information Act to view document;
- (ii) Would be objecting at the full Council meeting to elements of the Core Strategy;
- (iii) Complained to the Council concerning outstanding issues;
- (iv) Alleged breach of the Data Protection Act;

45. MATTERS ARISING FROM THE MINUTES

None raised.

46. DATES OF FUTURE MEETINGS

The Committee noted that it would meet in the Town Hall at 5.00pm on the following dates:

Monday 22nd November 2010
Monday 31st January 2011
Monday 28th March 2011

47. FORWARD PLAN

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

48. SARAH FOGDEN

The Chair informed the Committee that this would be the last Audit and Governance Committee that Sarah Fogden, Head of Finance would be attending as she was shortly leaving the Council.

The Chair and the Committee thanked Sarah Fogden for all her work, especially on the Statement of Accounts and wished her well for the future.

49. 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.

50. 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 2.30 pm and finished at 4.05 pm