

AUDIT AND GOVERNANCE COMMITTEE

Monday 22nd November 2010

COUNCILLORS PRESENT FOR THE WHOLE OF THE MEETING: The Vice-Chair (councillor Clark Brundin), Councillors Roy Darke, Bryan Keen, David Rundle, Scott Seamons and Oscar Van Nooijen (attending as a substitute for Councillor Beverley Hazell).

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), Nigel Kennedy (Interim Head of Finance), Anna Winship and Kelly Dawson (Finance), Maria Grindley and Alan Witty (Audit Commission), and Christopher Dickens (Pricewaterhousecoopers)

51. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Beverley Hazell (Councillor Oscar Van Nooijen attended as a substitute)

52. DECLARATIONS OF INTEREST

None declared.

53. ANNUAL AUDIT LETTER – AUDIT COMMISSION

The Interim Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission which summarised the findings from the 2009/10 audit and includes details on the audit of financial statements, and arrangements to achieve value for money in the use of resources.

Maria Grindley from the Audit Commission introduced the report and said that the challenges faced by the Council due to the economic climate had been recognised, that there had been letters of objection to the accounts and further information was being requested and that actions from previous audits etc. were being followed up.

Councillor Brundin asked what more could be done to improve how the Council responded to external questions regarding the accounts. In response Maria Grindley said that she was in discussions with officers on this. Jacqueline Yates added that due to the volume of information that had been requested from the public, it had been difficult to keep to the timescales, but this was being addressed for the future.

Councillor Rundle said that even well run Council's continued to receive questions and that the information given could be daunting and asked if advice could be given to local electors who wanted to raise questions. Jacqueline Yates said that

maybe there was too much “jargon” in responses and that consequently the Council may not have been as helpful as it could have been, but again this was being addressed.

Councillor Rundle asked if there was a protocol to deal with questions from the public. In response Jeremy Thomas said that he was involved in all of the responses to requests for information and questions and while there was no misunderstanding within the Council on how these questions/requests for information should be dealt with, this had not been put into a formal protocol.

Councillor Keen said that he wanted to see the Council deal with questions from the public before they went to the Audit Commission. In response Jacqueline Yates said that under statute there was a right for an objector to object to the accounts even if the Council had provided all of the information to the elector they had requested. The elector could still go to the Audit Commission.

Peter Sloman said that Officers did their very best when dealing with questions from the public, but questioned whether it was always a good use of officer time and Council resources. He gave the example of the Council spending £9,000 in responding to questions from an elector concerning the Core Strategy. He said that it was important to put as much information as possible into the public domain as possible to avoid unnecessary cost.

Councillor Rundle said that we had to learn from how objections had been dealt with and it would be useful for the Audit and Governance Committee to understand how issues raised had been moved forward.

Various Members of the Committee made comments concerning the International Financial Report Standards (IFRS) and how this was being actioned and the need for a risk report to a future meeting on amongst other things risks associated with asset management in the Council.

The Committee agreed:

- (a) To note the report;
- (b) To request the Director, Finance and Efficiency to submit a report to the next meeting of the Audit and Governance Committee, updating the Committee on the Council’s risk register.

54. ANNUAL GOVERNANCE REPORT – AUDIT COMMISSION

The Interim Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission which detailed the results of the audit work undertaken for 2009/10.

Maria Grindley from the Audit Commission introduced the report and said that the Action Plan had now been completed.

Jacqueline Yates in response to questions said that while overall actions had been carried out, there were some still outstanding, but these were part of this years closure of accounts process.

The Committee agreed to note the report.

55. 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 and informed the Committee that the grant claim for Housing Subsidy (HOU01) was still in progress as the audit deadline of 31st December 2010 had not yet passed.

The Committee agreed to note the report.

56. PROGRESS ON INTERNAL AUDIT RECOMMENDATIONS – DRAFT ACTION PLAN

The Interim Head of Finance submitted a report (previously circulated, now appended) which informed the Committee on the progress of the implementation of recommendations from previous audits carried out by the Council's internal auditors.

Nigel Kennedy, Interim Head of Finance introduced the report.

Councillor Brundin felt that the report was very clear and comprehensive. Councillor Rundle asked if a traffic light system could be used, taking into account that agenda were printed in black and white, to indicate what had and had not been completed. Councillor Rundle also raised points concerning more information being included in the report.

The Committee agreed:

- (a) To note the report;
- (b) To ask the Interim Head of finance to consider other ways of indicating complete and incomplete actions on recommendations and to ensure that all information was contained in future reports.

57. 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.

Christopher Dickens from Pricewaterhousecoopers (PWC) introduced the report. He informed the Committee that the report on Cashiers had been issued to

the Council and that at present there was a great deal of audit activity with officers from PWC undertaking field work in the Council.

Jacqueline Yates said that as the Council's Section 151 Officer, it was important that she received assurance that everything was as it should be and internal audits were a key element in the assurance that she required.

The Committee agreed:

- (a) To note the report;
- (b) To request that "Heat Maps" were included in future reports, taking into account that agenda/reports were printed in black and white.

58. AUDIT AND GOVERNANCE COMMITTEE – TRAINING FEEDBACK

Councillor Brundin said that the recent IFRS training for Audit and Governance Committee members was excellent.

Councillor Rundle said that it was important for this training to be embedded into the general training that Councillors received on value for money etc. In response Jeremy Thomas said that he was happy to take this suggestion forward and incorporate it into the annual training programme.

Councillor Brundin said that it was important that when Councillors received the accounts, they understood what they were looking at and so any training in this area would be worthwhile.

Councillor Rundle said there was a specific need at this point for training, especially as the way the accounts were presented was changing and it was important that Members understood the changes as well as issues around fraud etc. and their overall responsibilities.

The Committee agreed to note the feedback given to recent training for Members.

59. MINUTES

The Committee agreed to approve the minutes (previously circulated) of the meeting held on 23rd September 2010.

60. MATTERS ARISING FROM THE MINUTES

None raised.

61. DATES OF FUTURE MEETINGS

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

Monday 31st January 2011
Monday 28th March 2011

62. 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.

63. 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 6.15 pm