

AUDIT AND GOVERNANCE COMMITTEE

Monday 16 April 2012

COUNCILLORS PRESENT: Councillors Hazell (Chair), Brundin (Vice-Chair), Darke, Mills, Van Nooijen, Williams and Rowley.

OFFICERS PRESENT: Mathew Metcalfe (Democratic and Electoral Services), Lindsay Cane (Law and Governance), Jackie Yates (Corporate Director Finance and Efficiency), Nigel Kennedy (Head of Finance), Anna Winship (Financial Accounting Manager), Steve Sprason (Head of Corporate Assets), Maria Grindley (Audit Commission), Alan Witty (Audit Commission) and Christopher Dickens (Pricewaterhousecoopers (PWC))

60. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillor Bryan Keen (Councillor Mike Rowley attended as a substitute) and Councillor Matt Morton (Councillor David Williams attended as a substitute).

61. DECLARATIONS OF INTEREST

None declared.

62. 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 20/10/11 audit plan.

Alan Witty from the Audit Commission introduced the report and informed the Committee that improvements had taken place since the previous year. He said that being able to work with Officers early on areas where issues had been identified had been one of the improvements and he thanked the Finance Team for their help.

In response to questions concerning the future of the Audit Commission, Maria Grindley informed the Committee that on 1st November 2012 the current Team would be TUPE over to Ernst and Young. The Council should not see any major changes with this as the Team etc. wanted to maintain consistency. Jackie Yates added that she and Nigel Kennedy had been invited by Ernst and Young to visit their offices and this would take place on 2nd May 2012.

Councillor Hazell asked if each company undertaking audits would produce their own audit guidance. In response Maria Grindley said that all companies worked to the same audit standards, but each had a different approach.

The Committee agreed to note the report.

63. INTERNAL AUDIT SUMMARY REPORT - 2011/12 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 2011/12 Audit Plan.

Chris Dickens from Pricewaterhousecoopers (PWC) introduced the report and took the Committee through the various audits and said that the current Plan was close to being completed.

The Committee agreed to note the report.

64. COMMERCIAL PROPERTY - 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 outcome into the review of Commercial Property.

Chris Dickens from Pricewaterhousecoopers (PWC) introduced the report and said that the commercial property area had been audited following a request from the Council.

Steve Sprason, Head of Asset Management, informed the Committee that work had been conducted to improve the procedures for change notes and the processing time of these had dramatically improved.

In response to questions Chris Dickens confirmed that the recommendations would be monitored to ensure that they had been implemented as part of follow-up work which was always conducted with high risk ratings.

The Committee agreed to note the report.

65. RISK ASSESSMENT AND INTERNAL AUDIT PLAN 2012/13

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors, Pricewaterhousecoopers (PWC) which set out the risk assessment and internal audit plan for Oxford City Council.

Chris Dickens from Pricewaterhousecoopers (PWC) introduced the report and said that wide consultation had taken place along with a risk assessment in order to produce the plan. He added that audit risks had now been aligned with the corporate objectives and risks.

Councillor Hazell raised the issue of Members training and felt that it would be good for Members to work with Officer to develop a training programme and also to undertake a skills audit of Members.

The Committee agreed to note the report.

66. RISK MANAGEMENT STRATEGY

The Head of Finance submitted a report (previously circulated, now appended) which presented the updated Risk Management Strategy for consideration.

Nigel Kennedy, Head of Finance introduced the report.

Councillor Hazell asked if any Members had accessed the Corvu system as it was important to ensure that Members could access the information. In response Jackie Yates said that risk reports could be presented at future meetings along with a live presentation of the Corvu information.

Councillor Brundin asked what processes were in place to ensure that when a key member of staff left the Council, the work undertaken by them continued. In response Jackie Yates said that it was the responsibility of the Head of Service to monitor. She added that in Finance, procedure notes had been produced which gave resilience when staff changes took place. She further added that if a number of vacancies occurred at the same time across the Council, then the issue could be reported to the Corporate Management Team.

The Committee agreed:

- (a) To note the report and to support the Committee receiving risk reports and Corvu presentations at future meetings:
- (b) That the definition of “periodically”, in Paragraph 17, for the reporting of training provided on risk is defined as annually; and that it is made clearer that this refers to Risk Management Training.
- (c) That all Members are encouraged to attend training provided on risk.

67. ANNUAL REVIEW OF THE AVOIDING BRIBERY, FRAUD AND CORRUPTION POLICY, THE MONEY LAUNDERING POLICY AND PROCEDURE AND THE WHISTLE BLOWING POLICY

The Head of Finance submitted a report (previously circulated, now appended) which detailed the annual review of the policies and sought endorsement for any changes within the policies.

Carol Quainton from Finance attended the meeting and introduced the report.

The Committee agreed to note the report.

68. PREPARATION FOR THE COMPLETION OF THE STATEMENT OF ACCOUNTS FOR 2011-12

The Head of Finance submitted a report (previously circulated, now appended) which updated the Committee on the preparations being made for the completion of the Statement of Accounts for 2011/12.

The Committee agreed:

- (a) To welcome the early preparation work undertaken by Officers;
- (b) To hold a special meeting of the Audit and Governance Committee on 23rd May 2012 to election the Chair and Vice-Chair for the Council Year 2012/13.

69. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Head of Finance submitted a report (previously circulated, now appended) which detailed the progress on the implementation of internal and external audit recommendations.

Anna Winship from Finance introduced the report and in response to questions said that recommendation EA008 (Equality and Diversity) had been completed and was no longer a high risk. Regarding recommendation IA349 (Commercial Property) reconciliations were being carried out as part of the close down process.

Councillor Hazell suggested that it would be useful if the Auditors could give assurances that the recommendations which had been implemented and so no longer on the tracker had not slipped back into being a problem.

The Committee agreed to note the report.

70. MINUTES

The Committee agreed to approve the minutes (previously circulated) of the meeting held on 6th February 2012.

71. DATES OF FUTURE MEETINGS

The Committee agreed:

- (a) To hold a special meeting on 23rd May 2012 to elect Chair and Vice Chair for the Council Year 2012/12:
- (b) To note that the next ordinary meeting would be at 6.00pm on Thursday 28th June 2012.

72. ACKNOWLEDGEMENTS

Councillor Hazell thanked the Committee, Officers and the Auditors, both internal and external for their support during her time as Chair over the past 3 years and wished the Committee well for the future as she would be leaving the Council at the forthcoming local elections.

Councillor Brundin also added his thanks as Vice-Chair as he to would be leaving the Council at the forthcoming local elections. He added that he had thoroughly enjoyed his time on the Committee from its transformation from the

Audit Committee with little responsibility to the current Audit and Governance Committee with a wider remit with greatly increased responsibility.

Councillor Van Nooijen on behalf of the Committee thanked the Chair and Vice-Chair for their work and support and also thanked Councillors Keen and Morton who were also leaving the Council at the forthcoming local elections.

The meeting started at 6.00 pm and ended at 7.15 pm