

## AUDIT AND GOVERNANCE COMMITTEE

**Thursday 27 February 2014**

**COUNCILLORS PRESENT:** Councillors Fry (Chair), Brett, Darke, Seamons and Hollick.

**OFFICERS PRESENT:** Mathew Metcalfe (Democratic and Electoral Services), Jackie Yates (Executive Director Organisational Development and Corporate Services), Nigel Kennedy (Head of Finance), Anna Winship (Financial Accounting Manager), Lindsay Cane (Law and Governance), Mick West (Ernst & Young), Christopher Dickens (Pricewaterhousecoopers (PWC)) and Timothy Baker (Pricewaterhousecoopers (PWC)).

### **35. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors David Rundle and Craig Simmons (Councillor Sam Hollick attended as a substitute for Councillor Craig Simmons).

### **36. DECLARATIONS OF INTEREST**

None declared.

### **37. EXTERNAL AUDIT PROGRESS REPORT 2013/14 - ERNST AND YOUNG**

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's External Auditors, Ernst and Young, which detailed the progress made in delivering the work set out in the 2013/14 audit plan.

Mick West from Ernst and Young introduced the report.

In response to questions Mick West said that the collection risk for Business Rates and Council Tax now lay with the Council and Ernst and Young would be reviewing the arrangements the Council had in place to provide assurance. Regarding certifications, he said that the amount of work on this area was reducing each year and that the indicative fee for this would also reduce.

The Committee agreed to note the report.

### **38. ERNST AND YOUNG - CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2012-13**

The Head of Finance submitted a report (previously circulated now appended) on behalf of the Council's External Auditors, Ernst and Young which summarised the results of their work on the Council's 2012-13 claims and returns.

Mick West from Ernst and Young introduced the report.

In response to questions, Jacqueline Yates, Executive Director, Organisational Development and Corporate Services, said the recommendations related to the level of quality assurance that the Council put around each claim. To this end, a new Revenues and Benefits Manager has been appointed and was currently reviewing the structure below to improve resillance.

The Committee agreed to note the report.

**39. INTERNAL AUDIT PROGRESS 2013/14 -  
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 progress made in delivering the work set out in the 2013/14 audit plan.

Chris Dickens from Pricewaterhousecoopers introduced the report. He informed the Committee that the review work concerning the Temple Cowley Pools had been put back, to allow for the initial works on the new pool to be completed.

In response to questions, Nigel Kennedy, Head of Finance, regarding card and cash payments said that the promotion of cashless payment methods was still ongoing. However despite this, the amount of cash transactions had increased, mainly due to increased income at the Council's Depot. Regarding a new fixed asset register, this will go live on 13<sup>th</sup> March 2014, and will be run in tandem with the existing system for the 2013/14 closure of accounts.

Mick West, commenting on Housing Benefit payments, said that there were no problems with the Direct Payment Project.

The Committee agreed to note the report.

**40. REVIEW OF THE AVOIDING BRIBERY, FRAUD AND CORRUPTION POLICY, AND THE MONEY LAUNDERING POLICY AND PROCEDURE.**

The Head of Finance has submitted a report (previously circulated, now appended) which detailed the outcomes of a review into the Avoiding Bribery, Fraud and Corruption Policy and the Money Laundering Policy and procedure.

Nigel Kennedy, Head of Finance introduced the report.

The Committee was informed that an iLearn training module had been prepared for staff and Members. All staff have been asked to undertake this training.

The Committee agreed:

- (a) To note the review of the Avoiding Bribery, Fraud and Corruption Policy and the Money Laundering Policy Procedures and Reporting form;
- (b) The revised documents as set out in appendices 1-4 of the report;

- (c) To note the new iLearn module on Avoiding Bribery, Fraud and Corruption which all staff had been asked to complete;
- (d) To note that the Executive Director, Organisational Development and Corporate Services would provide a briefing session on the Avoiding Bribery, Fraud and Corruption Policy.

#### **41. PROGRESS ON THE IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

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

Anna Winship from Finance introduced the report.

In response to questions concerning the rollout of Windows 7, Anna Winship said that a residual 1% of Council laptops and PC's now required upgrading and this included Members laptops/desktops.

The Committee commented on how well the Council had coped during the recent floods in Oxford.

The Committee agreed to note the report.

#### **42. RISK MANAGEMENT QUARTERLY REPORTING - QUARTER 3 - 2013/14**

The Head of Finance submitted a report (previously circulated, now appended) which updated the Committee on both the corporate and service risks as at the end of quarter 3.

Nigel Kennedy, Head of Finance, introduced the report.

During discussion of the report, the Committee commented on recruitment which was a risk to the authority as well as climate change and fluctuations in the price of energy.

The Committee agreed:

- (a) To note the report;
- (b) To invite the Head of Environmental Development to a future meeting of the Committee to hear of the mitigation work that the Environmental Development Service Area is undertaking on the effects of climate change.

#### **43. MINUTES**

The Committee agreed to approve the minutes of the meeting held on 28<sup>th</sup> November 2014.

#### **44. DATES AND TIMES OF MEETINGS**

The Committee agreed:

- (a) To note that it would meet in the Town Hall on the following dates at 6.00pm:

Thursday 24<sup>th</sup> April 2014  
Thursday 26<sup>th</sup> June 2014  
Thursday 18<sup>th</sup> December 2014  
Thursday 26<sup>th</sup> February 2015  
Thursday 23<sup>rd</sup> April 2015

- (b) To ask Officers to bring forward the date of the September 2014 meeting and to inform Members of the new date.

#### **45. MATTERS EXEMPT FROM PUBLICATION**

The Committee agreed to exclude the press and public from the meeting during consideration of items on the exempt for publication part of the agenda.

#### **46. 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 6.00 pm and ended at 7.25 pm**