

AUDIT AND GOVERNANCE COMMITTEE

Thursday 26 February 2015

COUNCILLORS PRESENT: Councillors Fry (Chair), Fooks (Vice-Chair), Darke, Munkonge, Rowley, Seamons and Thomas.

OFFICERS PRESENT: Tanya Bandekar (Service Manager, Revenues and Benefits), Nigel Kennedy (Head of Finance), Jeremy Thomas (Head of Law and Governance), Jennifer Thompson (Law and Governance), Anna Winship (Financial Accounting Manager).

IN ATTENDANCE: Christopher Dickens (Pricewaterhousecoopers (PWC)), Mick West (Ernst & Young), Alan Witty (Ernst & Young).

40. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Coulter (Councillor Munkonge substituted).

41. DECLARATIONS OF INTERESTS

There were no declarations of interest.

42. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2013-14

The Committee considered the report of the Council's external auditor summarising the results of work on Oxford City Council's 2013-14 claims and returns.

Mick West introduced the report and explained the key points.

Tanya Bandekar and Nigel Kennedy explained the steps taken to address the points raised in the audit and to reduce the number and value of errors and said:

- The Department of Works and Pensions recalculated subsidy payments based on the audit findings: these penalties were not within the council's or the auditor's control.
- The Council had taken the opportunity of presenting additional cases for testing and had improved checks and documentation prior to the audit, which had reduced the overall error rate.
- Benefit payments of £65 million were made, so the overall error rate was low in value and lower than many comparable authorities.
- Managers were analysing causes of repeated errors; ensuring new staff were fully trained; and working with the auditors and the claimants to reduce errors.

The Committee requested more detail and background to the figures in the report, and comparisons with other local authorities.

The Committee noted the report and the assurance that the recommendations and action were completed.

43. AUDIT PROGRESS REPORT 2014-15

The Committee considered the report from the Council's external auditors providing a progress report and an overview of the proposed timetable for the 2014-15 audit.

Alan Witty said that the audit team was fully staffed and had the necessary skills to cope with the complexity of the work. There would be early testing for final accounts and work would be brought forward where possible.

The Committee noted the progress report and timetable for the 2014-15 audit.

44. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

The Committee considered the briefing paper supplied by the Council's external auditor.

The Committee noted the points set out in the paper, in particular the implications of changes to the deadlines for submission of accounts from 2017/18 onwards.

45. PROTECTING THE PUBLIC PURSE - FRAUD BRIEFING 2014

The Committee considered the briefing supplied by the Council's external auditor.

In answer to questions from the Committee, Mick West and Nigel Kennedy said:

- Queries about the reliability of some of the data had been raised with the Audit Commission who produced the briefing.
- The national fraud report contained a detailed fraud checklist which the Council may wish to use.
- The Department for Work and Pensions had taken on responsibility for all benefit fraud investigation. The Council retained a team of 5.9FTE to cover all other fraud work for this council and take on work for other authorities. The aim was to recover the running costs from insourced work and the money recovered or not paid out as a result of fraud detection and prevention.
- Publicity for individual cases acted as a deterrent. Policies and procedures which took account of opportunities for fraud helped prevent it occurring.
- It may be possible to provide information about other local authorities' successful detection of tenancy fraud.

The Committee noted the briefing.

46. INTERNAL AUDIT PROGRESS QUARTER 3 2014/15 - PRICEWATERHOUSECOOPERS

The Committee considered the report of the Head of Finance on behalf of the Council's internal auditors, PWC, setting out progress made in delivering the 2014/15 internal audit plan.

Christopher Dickens introduced the report and along with Nigel Kennedy answered questions. He said that any reports showing medium or high risks would be circulated to the Committee as soon as these were ready.

The Committee noted the report and the progress made on delivering the action plan.

47. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Committee considered the report of the Head of Finance setting out the progress made on the implementation of internal and external audit recommendations.

Anna Winship introduced the report and answered questions. She said that all community centres and associations now had leases, or licences to occupy, or were in premises run directly by the council.

The Committee noted the report and the changes to the tracker; and asked for a report at the next meeting on agreements with the centres and the council's remaining risks and liabilities.

48. RISK MANAGEMENT QUARTERLY REPORTING: QUARTER 3 2014/2015

The Committee considered the report of the Head of Finance giving updates to both corporate and service risks at the end of Quarter 3, 31 December 2014.

Anna Winship introduced the report and answered questions. She said that:

- Business continuity plans were being assessed and tested.
- The corporate risk register showed that service areas risks had reduced.
- There was a definition of 'catastrophic risk' with an associated threshold value. Only the council's treasury management fell into this category because of the value of investments.
- The risk register was regularly reviewed although dates were not always updated. A full review and update of the register was due.

The Committee noted the report.

49. MINUTES OF THE PREVIOUS MEETING

The Committee agreed to approve the minutes of the meeting held on 18 December 2014 as a true and accurate record.

50. DATES AND TIMES OF MEETINGS

The Committee noted the dates and times of future meetings.

The Committee agreed to move the 22 September meeting to the previous week and to move the 21 December meeting to the previous week

The Committee asked for a report on the risks associated with business rates collection and retention, including the work carried out by the Finance Scrutiny Panel.

The meeting started at 6.00 pm and ended at 7.20 pm

This page is intentionally left blank