

AUDIT AND GOVERNANCE COMMITTEE

Thursday 29 September 2011

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

OFFICERS PRESENT: Mathew Metcalfe (Democratic Services), Nigel Kennedy (Head of Finance), Jeremy Thomas (Head of Law and Governance), Anna Winship (Financial Accounting Manager), Jackie Yates (Corporate Director Finance and Efficiency) and Maria Grindley (Audit Commission) Carol Quinton (Finance) Maria Grindley and Alan Witty (Audit Commission) Christopher Dickens (Pricewaterhousecoopers)

24. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillor Beverly Hazell (Councillor Mike Rowley attended as a substitute) and Councillor Bryan Keen (Councillor Van Coulter attended as a substitute).

Apologies were also received from Peter Sloman (Chief Executive) and Richard Bacon (Pricewaterhousecoopers).

25. DECLARATIONS OF INTEREST

No declarations of interests were made.

26. 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.

Christopher Dickens from Pricewaterhousecoopers introduced the report and highlighted that the completion of the 2011/12 Audit Plan was on track and that so far 35% of the field work had been completed. The bulk of the reporting would take place in quarter 3. With regard to the audit report on Car Parking, he said that there was a positive trend of improvement.

The Committee agreed to note the report.

27. ANNUAL GOVERNANCE REPORT - 2010/11 AUDIT - AUDIT COMMISSION

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Audit Commission which detailed the Annual Governance report and the audit work undertaken during the 2010/11 Audit Year.

Maria Grindley from the Audit Commission introduced the report and highlighted that the audit work had been completed and that the statement of accounts had an unqualified opinion. She said that the introduction of the IFRS (International Financial Reporting Standard) had created more work and made the accounts more complicated and this had resulted in many organisations struggling to put their accounts together. However the Council had once again improved on the production of its accounts and she praised the authority for this.

Maria Grindley said that one area for improvement was the standard and production of working papers, which had been highlighted as a key recommendation and the need for this and the additional work on IFRS had resulted in an additional audit fee. She further drew the Committees attention to independence as the spouse of her Team Leader was employed by the Council, but that all of the necessary safeguards had been put in place to reduce any threat to the independence of the work of the Audit Commission and the accounts for the Council.

Alan Witty also from the Audit Commission informed the Committee of changes to the accounts since the report was printed with the agenda and details were circulated at the meeting.

Councillor Brundin with the support of the Committee underlined the need and importance of working papers to support the accounts. In response Jackie Yates said that there had been a step change in what was provided and that meetings were being held to review the process and the necessary changes would be implemented immediately. She added that the Council's ledger was being improved to allow greater access to the Auditors and that all of these changes were part of an improvement plan.

The Committee agreed:

- (a) To note the report;
- (b) To thank the Finance Team for their hard work and superb achievement and success.

28. STATEMENT OF ACCOUNTS 2010/11

The Head of Finance submitted a report (previously circulated, now appended) which presented the Council's Statement of Accounts for approval and authorisation.

Nigel Kennedy introduced the report and said that this was the second year that the Committee had been presented with an unqualified set of accounts.

Jackie Yates with regard to the late adjustments that had been circulated at the meeting confirmed that they were accounted for in the Statement of Accounts that would be signed and published on the Councils website.

The Committee agreed:

- (a) To note that Jackie Yates as the Council's Section 151 Officer signed the accounts;
- (b) That the Vice-Chair sign the accounts on behalf of the Audit and Governance Committee;
- (c) That the Letter of Representation be approved.

29. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS

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

Anna Winship introduced the report and informed the Committee that the Council's Corvu system was now being used to monitor the implementation of recommendations and she took the Committee through the report.

In response to questions concerning the debtors/creditors recommendations, Anna Winship said that officers continued to make improvements which had included the introduction of direct debit payments. Jackie Yates added that the Council had recently received a health check on the system and that all of the changes would happen by the end of February 2012.

The Committee agreed:

- (a) To welcome the new layout of the information contained in the report;
- (b) To request a further progress report and that target dates for implementation also be included.

30. MINUTES

The Committee agreed to approve the minutes (previously circulated) of the meeting held on 30th June 2011.

31. DATES OF FUTURE MEETINGS

The Committee agreed to note that the Committee would meet at 6.00pm in the Town Hall on the following dates:

Monday 28th November 2011
Monday 6th February 2012
Monday 16th April 2012

32. 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.

33. 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 7.05 pm