

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE

Monday 29 June 2015

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COUNCILLORS PRESENT: Councillors Fry, Fooks, Coulter, Darke and Munkonge.

OFFICERS PRESENT: Nigel Kennedy (Head of Financial Services), Jeremy Thomas (Head of Law and Governance), Jennifer Thompson (Law and Governance), Scott Warner (Investigations Manager), Niko Grigoropoulos (City Development), Martin Shaw (Housing and Property) and Jackie Yates (Executive Director Organisational Development and Corporate Services)

65. ELECTION OF CHAIR FOR THE COUNCIL YEAR 2015/16

The Committee elected Councillor James Fry as Chair for the Council year 2015/16.

66. ELECTION OF VICE-CHAIR FOR THE COUNCIL YEAR 2015/16

The Committee elected Councillor Jean Fooks as Vice-Chair for the Council year 2015/16.

67. APOLOGIES FOR ABSENCE

Councillor Paule submitted apologies.
Alan Witty, Ernst & Young, sent apologies on behalf of the external audit team.

68. DECLARATIONS OF INTEREST

None.

69. STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2015

The Committee considered the report of the Head of Financial Services setting out the Council's Statement of Accounts for the year ending 31 March 2015.

Nigel Kennedy circulated a paper setting out the calculation of business rates income to the council and explained the risks to the medium term financial strategy from the unpredictability of appeals costs; a proposed reassessment of

the rates in 2017; potential change to assessment for national companies in 2016; and the changes as a result of large developments. He highlighted other key points for the committee. He thanked the accounts team for their work in preparing the statement of accounts.

The Committee agreed to note the contents of the Statement of Accounts certified by the Head of Financial Services (Section 151 Officer) prior to their submission to the external auditors.

The Chair certified the Statement of Accounts at the meeting.

70. ANNUAL GOVERNANCE STATEMENT 2014/2015

The Committee considered the report of the Head of Law and Governance setting out the 2014/15 Annual Governance Statement.

Jeremy Thomas introduced the Statement. Councillors were assured regular updates to contacts for areas of responsibility would be provided under agreed new service standards. Councillors asked if the statement could show all internal and external assessments to give a coherent view of the Council's performance over the year.

The Committee agreed to approve the 2014/15 Annual Governance Statement; and asked for the 2015/16 statement to contain an appendix listing accreditations, awards, and performance assessments.

71. AUDIT FOR YEAR ENDING 31 MARCH 2015 - PROGRESS REPORT

The Committee considered the report of the external auditors, Ernst and Young, providing an overview of the timetable proposed for the 2014/15 audit.

The Committee agreed to note the report.

72. INTERNAL AUDIT ANNUAL REPORT 2014/15

The Committee considered the report of the internal auditor, PricewaterhouseCoopers (PwC) outlining the internal audit work carried out for the year ending 31 March 2015.

Richard Bacon and Kate Mulhearn introduced the report and, with officers, answered questions. They explained the derivation of the final opinion and noted that a rating of 'improvement required' was a reflection of generally good performance across the council.

The Committee noted the report.

73. INTERNAL AUDIT PROGRESS MONITORING REPORT JUNE 2015

The Committee considered the report of the internal auditor, PwC, providing a progress update on the agreed 2014/15 internal audit plan

Kate Mulhearn introduced the report and answered questions. PwC had completed several reports showing only low risks, were completing others, and had started on the 2015/16 audit plan. A report on the capital gateway process would be presented to the September meeting.

The Committee noted the report.

74. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Committee considered the report of the Head of Financial Services setting out progress on the implementation of internal and external audit recommendations, including recommendations from three recent medium term reports.

Nigel Kennedy, Niko Grigoropoulos, and Martin Shaw answered questions about progress against the recommendations as follows:

Planning

Processes were in place to enable national and local performance targets to be met despite increased workloads and staff shortages. Electronic case files were now up to date. All hard copy documents were scanned to the application files before the decision was issued. New procedures for banking cheques ensured that this was not reliant on one staff member. Councillors noted concerns over potential recruitment and retention of senior planners.

Major projects management

Officers across the council were being trained in the new programme management system.

Councillors noted that the increase in the cost of the tower blocks refurbishment was, as with Rosehill community centre, largely because additional works were included after public consultation. They noted that the new process should produce better control of costs and feasibility as each stage.

They commented that these consultations should set out the options and costs clearly for residents.

The Committee noted the comments and answers above, and progress against the recommendations listed in Appendix A of the report.

75. RISK MANAGEMENT QUARTERLY REPORTING: QUARTER 4 2014/2015

The Committee considered the report of the Head of Financial Services reporting corporate and service risks as at the end of Quarter 4, 31 March 2105.

The Committee noted the report and asked for confirmation of the nature of the service area risk rated 'catastrophic/unlikely'.

76. INVESTIGATION TEAM'S PERFORMANCE AND ACTIVITY BRIEFING

The Committee considered the report of the Head of Financial Services reporting the activity and performance of the Corporate Investigation Team for the period 1 April 2015 to 30 May 2015.

Scott Warner, the Investigations Manager, introduced the report. He said that implementation of the case management system was delayed by a month. Finding unregistered business premises was the result of officers checking the status of properties registered as empty and the business rates recovered were apportioned according to the normal formula. The income generated was the result of a few high value cases and not likely to be repeated. There were a high number of cases of social housing fraud under investigation and legal action was progressing in some cases.

Councillors commented that there may be value in working with those investigating 'beds in sheds'.

The Committee noted the report and recorded their praise for the work of the team.

77. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

The Committee noted the briefing paper.

78. MINUTES OF THE PREVIOUS MEETING

The Committee agreed to approve the minutes of the meeting held on 23 April 2015 as a true and accurate record.

79. DATES AND TIMES OF MEETINGS

The Committee noted the next meeting would be on 15 September 2015.

The meeting started at 6.00 pm and ended at 7.50 pm