

# MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE

Wednesday 16 December 2015

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**COUNCILLORS PRESENT:** Councillors Fry (Chair), Fooks (Vice-Chair), Coulter, Darke, Munkonge and Paule.

**OFFICERS PRESENT:** Nigel Kennedy (Head of Financial Services), Jeremy Thomas (Head of Law and Governance), Jennifer Thompson (Committee and Members Services Officer), Damon Venning (Rents Team Manager), Anna Winship (Management Accountancy Manager), Caroline Wood (Contracts and Procurement Manager), Gurpreet Dulay (Manager, BDO), Greg Rubins (Partner, BDO), David Guest (Ernst & Young) and Alan Witty (Ernst & Young)

## 28. APOLOGIES FOR ABSENCE

Councillor Thomas submitted apologies.

## 29. DECLARATIONS OF INTEREST

There were no declarations.

## 30. SETTING OF THE COUNCIL TAX BASE 2016-2017

The Committee considered the report of the Head of Financial Services setting out the "Council Tax Base" for 2016/17 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

The Committee noted the increase in Band D equivalent properties and the numbers of exempt properties.

### The Committee resolved:

- a) that the 2016/17 Council Tax Base for the City Council's area as a whole is set at 43,665.1 (as shown in Appendix 1)
- b) that the projected level of collection is set at 98%
- c) that the tax bases for the Parishes, and for the Unparished Area of the City (as shown in Appendix 2) be set as follows:

Unparished Area of the City	36,468.2
Littlemore Parish	1,730.4
Old Marston Parish	1,269.1
Risinghurst & Sandhills Parish	1,418.6
Blackbird Leys Parish	2,778.8
<b>City Council Total</b>	<b>43,665.1</b>

### **31. EXTERNAL AUDIT PROGRESS REPORT 2015/16 DECEMBER UPDATE**

The Committee considered the report of the Council's external auditors, Ernst & Young, providing an overview of the stage reached in the 2015/16 audit and ensure the audit is aligned with the Committee's expectations.

Alan Witty introduced David Guest, a member of the Council's new audit team.

The Committee agreed to note the report.

### **32. ANNUAL AUDIT LETTER FOR YEAR END 31 MARCH 2015**

The Committee considered the Annual Audit letter for the year end 31 March 2015 presented by the Council's external auditors, Ernst & Young.

Alan Witty said that the housing benefit audit was complete and would be reported at the March meeting.

The Committee agreed to note the report.

### **33. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The Committee considered the Local Government Audit Committee briefing presented by the Council's external auditors, Ernst & Young.

Nigel Kennedy said that the budget report being presented to the City Executive Board on 17 December included details of the severe impact of the changes in the right-to-buy legislation for the Council. The Council had responded to the government consultation on changes to council tax recovery methods. Improvements to the Council's powers would help our collection rates.

The Committee agreed to note the report.

### **34. INTERNAL AUDIT PROGRESS REPORT HALF YEAR SUMMARY**

The Committee considered the Half Year Summary report of the Council's previous internal auditors PriceWaterhouseCoopers setting out the work carried out in accordance with the approved 2015/16 internal audit plan.

Nigel Kennedy presented the report and said all the recommendations were included in the Audit Tracker (at Minute 38). This report would be taken into account in preparing the annual report for 2015/16.

The Committee agreed to note the report.

### **35. BDO INTERNAL AUDIT PROGRESS REPORT, QUARTER 3 2015/16**

The Committee considered the report of the Council's internal auditors, BDO setting out the work carried out in accordance with the approved 2015/16 internal audit plan in Quarter 3.

The Committee asked about the benefits of implementing the Sigma system. The Committee asked about the capitalisation threshold (part of the Statement of Accounts) and officers confirmed this was due for review.

The Committee agreed to note the report and that the recommendations were now included in the Audit Tracker.

### **36. BDO INTERNAL AUDIT: ACCOUNTS PAYABLE REPORT**

The Committee considered the report of the Council's internal auditors BDO on their audit of Accounts Payable.

Gurpreet Dulay introduced the report and highlighted the areas for improvement.

Caroline Wood, Strategic Payments and Procurement Manager, explained the action plan and proposed timescales to implement the recommendations.

Councillor Coulter suggested that APSE (Association for Public Service Excellence) may have information on how other authorities managed the accounts payable in their equivalents of Direct Services.

The Committee agreed to note the report.

### **37. BDO INTERNAL AUDIT: ACCOUNTS RECEIVABLE REPORT**

The Committee considered the report of the Council's internal auditors BDO on their audit of Accounts Receivable.

Gurpreet Dulay introduced the report and highlighted the areas for improvement.

Damon Venning, Rents Team Manager, explained the action plan and confirmed the timescales to implement the recommendations would be met.

The Committee agreed to note the report.

### **38. PROGRESS ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS: QUARTER 2 2015/16**

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

Anna Winship explained that BDO would provide the follow-up to recommendations in their reports. This tracker contained all outstanding recommendations from PWC's audits and would be maintained until these were implemented. Recommendations on housing rents and collection fund would be completed by March; the housing allocations recommendations requiring IT changes is included in the IT work programme but not complete.

The Committee agreed to note progress with the recommendations listed in Appendix A.

### **39. RISK MANAGEMENT QUARTERLY REPORTING: QUARTER 2 2015/16**

The Committee considered the report of the Head of Financial Services setting out both corporate and service risks as at the end of Quarter 2, 30 September 2015.

Nigel Kennedy outlined the changes to risks as a result of the government's budget and autumn statement. The catastrophic risk, shown in the service risk register summary, related to the treasury management service because of the significant risk if there was a failure of controls or investments, but this is mitigated well. He agreed to provide a list of all amber service risks for the next meeting.

The Committee agreed to note the contents of this report, in particular the new Corporate Risk around the Medium Term Financial Plan, and the impact the July Budget Statement has had on this, as set out in paragraphs 8 and 9.

### **40. MINUTES OF THE PREVIOUS MEETING**

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

The Committee asked for a list of officer executive decisions to be included in future agendas.

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

The Committee noted the date and time of the next meeting.

**The meeting started at 6.00 pm and ended at 7.15 pm**