

AUDIT AND GOVERNANCE COMMITTEE

Thursday 26 September 2013

COUNCILLORS PRESENT: Councillors Fry (Chair), Brett, Darke, Rowley, Rundle and Seamons.

OFFICERS PRESENT: Mathew Metcalfe (Democratic and Electoral Services), Nigel Kennedy (Head of Finance), Anna Winship (Financial Accounting Manager), Alan Witty (Ernst & Young), Maria Grindley (Ernst & Young), Christopher Dickens (Pricewaterhousecoopers (PWC)) and Natalie Shaw

14. APOLOGIES FOR ABSENCE

None received.

15. DECLARATIONS OF INTEREST

None declared.

16. EXTERNAL AUDIT - AUDIT RESULTS REPORT FOR THE YEAR ENDED 31 MARCH 2013 - 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 results of audits for the year ended 31st March 2013.

Maria Grindley from Ernst and Young introduced the report. She commented that it had been a very good audit year with strong supporting papers and good responses from officers. She was very satisfied with how the year had progressed and added that all that was awaited was the signed Statement of Accounts from the Council, which would be dealt with later on the agenda.

The Committee agreed:

- (a) To note the report;
- (b) To welcome the comments from Maria Grindley;
- (c) To congratulate Officers for their work in achieving a successful audit year.

17. STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2013

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

Nigel Kennedy, Head of Finance introduced the report and said that this had been the fourth year that the accounts had been unqualified which was very pleasing. He added that there had been some minor adjustments concerning for example the audit fee and these amendments had been reflected in the accounts. He further added that these amendments did not alter the overall bottom line.

The Committee agreed:

- (a) To approve the audited 2012/13 Statement of Accounts and to authorise the Head of Finance and the Chair of the Audit and Governance Committee to sign the Statement of Accounts, which they duly did;
- (b) To approve the Letter of Representation (appended to these minutes) to enable the Opinion to be issued and to authorise the Chair of the Audit and Governance Committee to sign the Letter of Representation, which he duly did and passed to the representatives from Ernst and Young, the Council's External Auditors.

18. EXTERNAL AUDIT - LG SECTOR UPDATE - GOVERNMENT AND ECONOMIC NEWS - 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 Local Government Sector update on Government and Economic News.

Alan Witty from Ernst and Young introduced the report.

Councillor David Rundle asked regarding the Local Audit of Accountability Bill, if a group of local authorities could appoint an auditor. In response Maria Grindley understood that this was possible as it could prove costly for individual authorities to appoint auditors.

Councillor David Rundle regarding the economic outlook asked if this had been factored into the Councils Medium Term Financial Strategy (MTFS). In response Nigel Kennedy said that this was already being considered and the next MTFS would reflect this.

The Committee agreed to note the report.

19. INTERNAL AUDIT PROGRESS REPORT 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.

Christopher Dickens from Pricewaterhousecoopers (PWC) introduced the report. He informed the Committee that the scope of the IT General Controls work had been reduced which was a change to the original Audit Plan 2013/14. However the overall Plan days remained the same.

Regarding the Member Development audit, Christopher Dickens said that an electronic survey had been used with a 30% response rate. From the results, Scrutiny and Challenge was an area where Members particularly felt that more support was needed.

Councillor Tony Brett regarding IT Disaster Recovery noted that there were no timescales in the plan and asked for clarification on this for example how long Service Heads felt it would take to be back to business as usual. In response Christopher Dickens said that in the full report timescales had been included and that he would circulate the original report to Members of the Committee.

Councillor David Rundle asked if the reconciliation issue on car parks was an issue that affected all car parks in the City. In response Nigel Kennedy said that all actions required to resolve the issue, had been taken. Councillor Rundle further added that in Headington, data was collected daily from one car park and not from another. In response Nigel Kennedy agreed to investigate and respond back to all Members of the Committee.

The Committee agreed to note the report.

20. PROGRESS ON THE IMPLEMENTATION OF AUDIT RECOMMENDATIONS

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

Anna Winship from Finance introduced the report and informed the Committee that no new external audit recommendations had been added.

The Committee agreed to note the report.

21. RISK MANAGEMENT QUARTERLY REPORTING: QUARTER 1 2013/2014

The Head of Finance submitted a report (previously circulated, now appended) which updated Members on both corporate and service risks as at the end of quarter 1, 30th June 2013.

Nigel Kennedy, Head of Finance introduced the report.

Councillor James Fry asked if further detail on the risks could be included in future reports.

Councillor David Rundle asked what work took place to create the Risk Register. In response Nigel Kennedy said that it was a requirement of the Heads of Service to review their risks on a regular basis. Directors would also review the risks for their Directorates as a whole. The Corporate Risk Register was maintained by the Directors. In response to further questions, Nigel Kennedy said that the Council employed a Risk and Assurance Officer, plus a Risk Management Group had been established which oversaw the risk process.

The Committee agreed to note the report.

22. MINUTES

The Committee agreed to approve the minutes of the meeting held on 27th June 2013.

23. DATES AND TIMES OF MEETINGS

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

Thursday 28th November 2013

Thursday 27th February 2014

Thursday 24th April 2014

The meeting started at 6.00 pm and ended at 6.50 pm