

Minutes

of a meeting of the

Audit and Governance Committee



held at 6.30pm on Wednesday 7 September 2011
at the Abbey House, Abingdon

Open to the public, including the press

Present:

Members: Councillors Mike Murray (Chairman), Simon Howell (Vice-Chairman), Jane Crossley, Dudley Hoddinott, Holly Holman, Judy Roberts and Robert Sharp

Substitute members: Councillor Mike Badcock (in place of Councillor Marilyn Badcock), Councillor Tony de Vere (in place of Councillor Julia Bricknell), and Councillor Richard Webber (in place of Councillor Andrew Crawford)

Officers: Steve Culliford, William Jacobs and Bob Watson

Number of members of the public: Nil

AG.18 Notification of substitutes and apologies for absence

Councillors Marilyn Badcock, Julia Bricknell and Andrew Crawford had all sent their apologies and were substituted by Councillors Mike Badcock, Tony de Vere and Richard Webber respectively.

AG.19 Declarations of interest

Councillor Mike Badcock declared a personal interest in the statement of accounts item, as he was a member of Oxfordshire County Council and Abingdon Town Council.

AG.20 Urgent business and chair's announcements

None

AG.21 Statements, petitions and questions from the public relating to matters affecting the Audit and Governance Committee

None

AG.22 Statement of accounts 2010/11

The committee reviewed the draft statement of accounts 2010/11 with the intention of carrying out a detailed scrutiny before approving it on 28 September.

The committee debated the following:

- The comprehensive expenditure and income statement had changed format to a summarised version since the first draft was presented to the committee in July. The District Auditor recommended this as the detail relating to items in the comprehensive expenditure and income statement was already included in supporting notes – this was in line with best practice in other councils.
- The comprehensive expenditure and income statement included a line reference to £2 million housing expenditure. The committee asked for an explanation of this figure in the supporting notes or the explanatory foreword. This was a large amount and therefore justified further explanation for the public's benefit. The committee asked officers to add a note to the explanatory foreword of the statement of accounts. The committee was content for the officers to draft the amendment.
- The County Council administered Oxfordshire's pension fund. The County Council had carried out a tri-ennial review of the fund and the County Council's fund managers had engaged new actuaries to value the fund. The council's liability had reduced as a result of the future increments on the fund liabilities being fixed to the consumer price index rather than the retail price index following a legislative change. However, the committee questioned whether the statement of accounts should include a more detailed explanation. An explanation appeared in the supporting notes but the committee noted that the County Council's pension fund report contained further detail. The officers agreed to circulate this to the committee. The committee noted that it would have the opportunity to ask the external auditor whether the council's liability calculation was correct and whether the explanation was sufficient. The external auditor would attend the committee's next meeting on 28 September.
- The officers had rounded some figures in the statement of accounts. The committee asked the officers to ensure that the rounded figures were consistent throughout the accounts.

The committee also considered the financial outturn report to Cabinet. This allowed the committee to question whether the savings or expenditure shown in the statement of accounts were correct. The report explained the revenue underspend of £1.6 million in 2010/11, the changes in contributions to reserves, and the capital expenditure for the year. The committee thanked the officers for this report.

RESOLVED: To:

- (a) update the statement of accounts by including an explanation of the £2 million expenditure on housing, either in the statement of accounts' supporting notes or the explanatory foreword, and consulting the council's external auditor on how best to do this;
- (b) ensure that the rounded figures are consistent throughout the statement of accounts;

- (c) raise a question with the District Auditor on the pension fund liability calculation and whether the supporting notes are sufficient; and
- (d) request officers to provide relevant statements from the auditors to explain the retail price index and consumer price index funding adjustment in the statement of accounts (note 41).

Exempt information under section 100A(4) of the Local Government Act 1972

None

The meeting rose at 7.40pm