

# Minutes

of a meeting of the

## Audit and Governance

### Committee

held on Monday, 17 March 2014 at 6.30 pm

at the Council Chamber, The Abbey House, Abingdon, OX14 3JE



Open to the public, including the press

Present:

Members: Councillor Simon Howell (Chairman), Mohinder Kainth (Vice-Chairman), St John Dickson, Dudley Hoddinott, Angela Lawrence, Pat Lonergan, Sandy Lovatt, Judy Roberts and Andrew Skinner

Officers: Steve Bishop, Susan Harbour, William Jacobs and Craig Pullen

Number of members of the public: 0

#### AG.45 Notification of substitutes and apologies for absence

None.

#### AG.46 Minutes

The minutes of the meeting of 27 January 2014 were agreed as an accurate record and the chairman signed them.

#### AG.47 Actions arising

The committee considered the actions arising report that set out progress against the committee's decisions at previous meetings and updated the schedule.

a) update the actions arising schedule as follows (retain):

(a) External auditor's report	Committee Date – 24 June 2013
The committee asked the strategic director to consider consulting on the public's comprehension of council financial information.	
<b>Comment</b> The strategic director will consider using the citizens' panel to assess comprehension of	<b>Action</b> Retain on this actions arising list.

financial information.	
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b) remove completed actions from the actions arising list.

#### **AG.48      Declarations of interest**

None.

#### **AG.49      Urgent business and chairman's announcements**

None.

#### **AG.50      Statements, petitions, and questions from the public relating to matters affecting the Audit and Governance Committee**

None.

#### **AG.51      Internal audit activity report**

The committee considered the audit manager's report on internal audit activity in the fourth quarter 2013/14, covering the period January to March 2014. Four internal audits were reported as completed in the last quarter, all had received satisfactory or full ratings.

The audit manager recommended a new system for monitoring systemic control weaknesses, the proposed template was at Appendix 2 to the report.

- Some items have been on the systemic control weakness for three to four years. The proposed system put the onus on heads of services and service managers, rather than the audit team to address outstanding issues.
- Audit Committee would scrutinise only the higher level recommendations.
- Heads of Service will be asked to review policies and outstanding recommendations. A quarterly schedule will be sent to service managers and the audit team will undertake spot checks. A document based on Appendix 2 of this report will name service areas which are behind schedule on implementation of recommendations which will make it more likely that service managers will respond.
- Committee requested that the chart would show how far past the due date outstanding recommendations were.

#### **RESOLVED: to**

- a) note the internal audit activity report;
- b) change the process for monitoring systemic control weaknesses to put the onus on to heads of service to address outstanding issues and for the audit manager to update the committee on progress with the committee concentrating on high level issues.

#### **AG.52      Internal audit management report**

The committee considered the head of finance's report on management issues within the internal audit service during the fourth quarter 2013/14, being January to March 2014. The following updates were provided in response to committee questions:

- The person recruited to the vacant auditor post had subsequently declined the offer of employment. This post would be re-advertised and, in the mean time, the external contracted auditor would be retained;
- The work the temporary accommodation audit had not been completed due to officer work load within housing.

**RESOLVED:**

To note the internal audit management report.

### **AG.53 Internal audit plan 2014/15**

The committee considered the audit manager's report that recommended adoption of the audit plan for 2013/14. The committee noted that the audit plan enabled the audit manager to form an opinion on the adequacy of the council's internal controls and allowed internal audit to plan its work throughout the year. The audit manager compiled the draft audit plan after assessing risks for each service, consulting managers, and allocating higher priority audits in accordance with the resources available.

- The Audit Plan should include an elections review before the elections in 2015 and should include individual elector registration. *(footnote, this has subsequently been agreed by the chairman and vice-chairman that an elections review in 2014 will be carried out by the Scrutiny Committee and not by the Audit team, or the Audit and Governance Committee).*

**RESOLVED:**

To adopt the audit plan 2014/15.

### **AG.54 External auditor's 2013/14 audit plan report**

Mick West and Adam Swain from external auditors Ernst & Young attended the committee. The committee considered the audit plan from Ernst & Young. The plan set out how the external auditor would audit the council's activities for the financial year 2013/14. The plan summarised the auditor's assessment of the council's key risks, and outlined the external auditor's planned audit strategy in response to those risks.

The committee noted that the fees set out in appendix A were indicative and would increase if the auditor needed to carry out any unexpected investigatory work. Appeals were with issues around local business rates.

**RESOLVED:**

To note the external auditor's 2013/14 audit plan report.

## **AG.55 Business continuity and risk management update**

The committee noted the audit manager's report, updating on business continuity and risk management. At the current time the audit manager would keep a watching brief on this and more detail would be forthcoming when the permanent audit manager returned from maternity leave as there were resourcing implications.

## **AG.56 Audit and governance work programme**

The committee updated its work programme.

The meeting closed at 7.35 pm