

# AG.27

## MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE

HELD AT THE GUILDHALL,  
ABINGDON ON WEDNESDAY,  
19TH MARCH, 2008 AT 6.30PM

### Open to the Public, including the Press

PRESENT:

MEMBERS: Councillors Andrew Crawford (Chair), Terry Cox, Andrew Crawford (Chair), Janet Morgan, Jerry Patterson (Ex-Officio), Laurel Symons and Tony de Vere

EX-OFFICIO MEMBERS: Councillor Jerry Patterson

OFFICERS: Steve Bishop, Steve Culliford, Paul Howden, William Jacobs, Harry Oliver and Adrianna Penn

CAPITA REPRESENTATIVE: Graham Hodges

AUDIT COMMISSION REPRESENTATIVES: Maria Grindley and Anne Ockleston

NUMBER OF MEMBERS OF THE PUBLIC: Nil

#### AG.40 NOTIFICATION OF SUBSTITUTES AND APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Matthew Barber.

#### AG.41 MINUTES

The minutes of the Committee meeting held on 15 January 2008 were adopted and signed as a correct record.

#### AG.42 DECLARATIONS OF INTEREST

None

#### AG.43 URGENT BUSINESS AND CHAIR'S ANNOUNCEMENTS

None

#### AG.44 TERMS OF REFERENCE

The Committee noted that its Terms of Reference was as follows:

- (1) To consider and determine on behalf of the Council all aspects of the Accounts of the Authority including the approval of the statement of accounts.
- (2) To receive the District Auditor's Annual Governance Report (or equivalent) and review responses to it.
- (3) To consider Corporate Governance matters (including but not limited to comments and complaints and risk management issues and review responses to them).
- (4) To approve the Statement of Internal Control.
- (5) To receive external and internal audit reports and review responses to them.
- (6) To consider and determine any other issue related to the above functions properly referred to the Committee by the Council.

AG.45 STATEMENTS AND PETITIONS FROM THE PUBLIC UNDER STANDING ORDER  
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None

AG.46 QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 32

None

AG.47 AUDIT AND INSPECTION PLAN 2008/09

The Committee received and considered the Audit and Inspection Plan for 2008/09, submitted by the Audit Commission. This set out the work the Audit Commission intended to undertake during the year. It was based on a risk-based approach to audit planning and requirements of moving towards Comprehensive Area Assessment. It reflected:

- the audit and inspection work specified by the Audit Commission for 2008/09
- the current national risks relevant to the Council's circumstances
- the Council's local risks and improvement priorities

The Plan also set out the proposed audit fee for the forthcoming year, which included an increase in the amount of work in auditing the use of the Council's resources. However, the Committee noted that the fee might be amended later in the year when the full extent of the necessary audit work was known.

Members supported the recommendation to approve the Plan and to delegate authority to approve any final amendments but asked that any amendments were reported back to the Committee.

In answer to a question to the external auditor present at the meeting, the Committee noted that the Audit Commission was working with the Council's Audit Manager to co-ordinate as much work as possible, concentrating on investigating controls. Members noted that working relations had improved in recent months.

*RESOLVED*

- that the Audit Commission's draft Audit and Inspection Plan 2008/09 be approved; and*
- that authority be delegated to the Strategic Director (Chief Finance Officer), in consultation with the Chair of the Audit and Governance Committee, to approve the final Plan.*

AG.48 INTERNAL AUDIT MANAGEMENT REPORT - FOURTH QUARTER 2007/08

The Committee received and considered report 160/07 of the Audit Manager which reported on management issues within the Internal Audit service, summarised progress against the 2007/08 Internal Audit Plan, and summarised the priorities and planned work for the remainder of the fourth quarter in 2007/08.

It was noted that there had been significant staff absence in the fourth quarter and this had impacted on the ability of the service to achieve its performance targets. The Audit Manager reported that the five planned audits referred to in paragraph 6.3 of the report were all in progress but were unlikely to be completed until the end of the second week in April.

The report also set out a draft protocol for reporting Internal Audit issues to the Committee. The Committee was asked to approve the protocol. Members were largely in support, subject to checks being made that there was no conflict with the Council's Constitution.

*RESOLVED*

- (a) that report 160/07 be noted; and*
- (b) that the protocol for reporting internal audit issues to the Audit and Governance Committee be approved, subject to checks being made that there is no conflict with the Council's Constitution.*

AG.49 INTERNAL AUDIT ACTIVITY REPORT 2007/08

The Committee received and considered report 161/07 of the Audit Manager, which summarised the outcomes of four audits carried out by Internal Audit. The Committee reviewed the report and the main issues arising, and sought assurance that action had been taken where appropriate. Members also thanked the Audit Manager for introducing a new style of audit reports, which they found to be clearer and more helpful.

Council Tax

The audit resulted in a satisfactory rating. Many of the recommendations contained within the report related to harmonising processes between the Vale and South Oxfordshire District Council. Members were content with the outcome.

Homelessness and Temporary Accommodation

This audit had resulted in a satisfactory rating. The Committee made no comment.

Benefit Counter Fraud

The audit had resulted in a satisfactory rating. The recommendations reflected the need for harmonisation of processes. The Committee supported the recommendations within the audit report.

Sundry Debtors

The audit of the Council's Sundry Debtor service had resulted in a 'limited assurance' rating from Internal Audit. Some weaknesses had been identified in the adequacy of the internal control system which put the system objectives at risk. Five recommendations had been raised in the review: two were given high priority, three low priority. However,

the Audit Manager recognised that since the completion of the audit report, improvements had been made to the service.

The Committee reviewed these and invited both the Revenues and Benefits Client Manager and the Capita Manager to comment. They assured the Committee that significant improvements had been introduced since the audit had taken place. A new system had been introduced and processes improved. Feedback from a manager of another service had been positive; the new format of monthly debt reporting had been praised. However, it was reported that there was still work to undertake on monitoring performance. The Committee welcomed this news and was assured that a follow-up audit would be carried out and reported to the Committee.

*RESOLVED*

*that report 161/07 be noted.*

AG.50 INTERNAL AUDIT ANNUAL PLAN 2008/09

The Committee received and considered report 162/07 of the Audit Manager which set out the draft Internal Audit Plan for 2008/09 and sought the Committee's approval. The Plan proposed to achieve 812 days available for planned audit work, representing 71.5% of the chargeable time after deducting leave, public holidays, a contingency for sickness absence, corporate activities, training, and team meetings. This showed an increase over 2007/08 of 530 days and 63% of chargeable time.

The Plan also set a schedule of planned audits for the year. In answer to a question from a Member, it was reported that an audit of the Council's bank reconciliation would be undertaken as part of the General Ledger audit. Members also queried why the number of days allocated to each audit was the same, when some audits were likely to require more work than others. The Audit Manager reported that in the absence of data from previous audits a best guess had been made at how long the average audit would take and it was hoped that the time taken to complete the schedule would balance out over the year. The schedule would be refined next year when more information was available. Members also asked whether Internal Audit used automated flowcharting of processes to assist them in their work. The Audit Manager reported that she was trying to pursue this but did not currently have the capacity to undertake this work.

*RESOLVED*

*that the Internal Audit Plan for 2008/09 be approved.*

**Exempt Information Under Section 100A(4) of the Local Government Act 1972**

None

The meeting rose at 8.00 pm