

Date: 20 June 2008

TO: All Members of the Audit and
Governance Committee
FOR ATTENDANCE

TO: All Other Members of the Council
FOR INFORMATION

Dear Sir/Madam

Your attendance is requested at a meeting of the **AUDIT AND GOVERNANCE COMMITTEE** to be held in **THE GUILDHALL, ABINGDON** on **MONDAY, 30TH JUNE, 2008** at **6.30 PM**.

Yours faithfully

Terry Stock
Chief Executive

Members are reminded of the provisions contained in the Code of Conduct adopted on 30 September 2007 and Standing Order 34 regarding the declaration of Personal and Prejudicial Interests.

A G E N D A

Open to the Public including the Press

A large print version of this agenda is available. In addition any background papers referred to may be inspected by prior arrangement. Contact Steve Culliford, Democratic Services Officer, on telephone number (01235) 540307 / steve.culliford@whitehorsedc.gov.uk.

Map and Vision

(Pages 7 - 8)

A map showing the location of the venue for this meeting, together with a copy the Council Vision are attached.

1. Chair and Vice-Chair

To note that at the Annual Meeting of the Council held on 21 May 2008, Councillor Dudley Hoddinott and Councillor Andrew Crawford were appointed as Chair and Vice-Chair respectively of the Audit and Governance Committee for the 2008/09 Municipal Year.

2. Notification of Substitutes and Apologies for Absence

To record the attendance of Substitute Members, if any, who have been authorised to attend in accordance with the provisions of Standing Order 17(1), with notification having been given to the proper Officer before the start of the meeting and to receive apologies for absence.

3. Minutes

To adopt and sign as a correct record the minutes of the meeting held on 19 March 2008 (circulated with the Council Summons and Agenda dated 21 May 2008).

4. Declarations of Interest

To receive any declarations of Personal or Personal and Prejudicial Interests in respect of items on the agenda for this meeting.

Any Member with a personal interest or a personal and prejudicial interest in accordance with the provisions of the Code of Conduct, in any matter to be considered at a meeting, must declare the existence and nature of that interest as soon as the interest becomes apparent in accordance with the provisions of the Code.

When a Member declares a personal and prejudicial interest he shall also state if he has a dispensation from the Standards Committee entitling him/her to speak, or speak and vote on the matter concerned.

Where any Member has declared a personal and prejudicial interest he shall withdraw from the room while the matter is under consideration unless:

- (a) His/her disability to speak, or speak and vote on the matter has been removed by a dispensation granted by the Standards Committee, or
- (b) Members of the public are allowed to make representations, give evidence or answer questions about the matter by statutory right or otherwise. If that is the case, the Member can also attend the meeting for that purpose. However, the Member must immediately leave the room once he/she has finished; or when the meeting decides he/she has finished whichever is the earlier and in any event the Member must leave the room for the duration of the debate on the item in which he/she has a personal and prejudicial interest.

5. Urgent Business and Chair's Announcements

To receive notification of any matters, which the Chair determines, should be

considered as urgent business and the special circumstances, which have made the matters urgent, and to receive any announcements from the Chair.

6. Statements and Petitions from the Public Under Standing Order 32

Any statements and/or petitions from the public under Standing Order 32 will be made or presented at the meeting.

7. Questions from the Public Under Standing Order 32

Any questions from members of the public under Standing Order 32 will be asked at the meeting.

8. Internal Audit Activity Report Quarter 1 2008/09

(Pages 9 - 170)

To receive and consider report 38/08 of the Audit Manager.

Introduction and Report Summary

The purpose of this report is: to summarise the outcomes of recent internal audit activity for the Committee to consider. The Committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.

The Contact Officer for this report is Adrianna Penn, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Recommendation

that Members note the content of the report.

9. Annual Audit and Inspection Letter 2006/07

(Pages 171 - 187)

The Annual Audit and Inspection Letter, issued in March 2008 by the Audit Commission, provides an overall summary of the Commission's assessment of the Council following the most recent Comprehensive Performance Assessment, the findings and conclusions from the audit of the Council for 2006/07 and from any inspections undertaken since the last Annual Audit and Inspection Letter. A copy of the Letter has been sent to all Councillors and is available on the Council's website. The letter is attached as this needs to be formally placed before the Committee.

Recommendation

that the Committee is asked to formally receive the report and indicate whether any specific actions are required.

10. Audit and Inspection Plan 2007/08

(Pages 188 - 190)

The Audit Commission's Audit and Inspection Plan for 2007/08 was placed before the Committee at its meeting on the 27 June 2007. The Plan provided details of the work to be undertaken by the Audit Commission during 2008/09 relating to the 2007/08 accounts and also provided a summary of the fees payable.

The Audit Commission have now issued a Supplementary Letter dated 2 June 2008 which is attached. The letter advises that since the original Plan was produced additional risks have been identified and therefore the fees stated in the original Plan will be insufficient to cover the extra work that will be required. The District Auditor will provide an update on the revised cost when she has further information.

Recommendation

that the Committee is asked to note the supplementary letter and the likelihood of increased audit fees this year.

11. Approval of the 2007/08 Statement of Accounts

The Council has a statutory duty to publish annual audited accounts. The accounts must be signed by the Chief Finance Officer and approved by the appropriate committee of the Council. Under the Council's Constitution the Audit and Governance Committee has the responsibility "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".

Officers have prepared the draft accounts which will be stapled as a separate document, which will follow this agenda.

If there are any amendments made to the draft accounts between circulation of the agenda and the meeting, the Chief Finance Officer will explain these at the meeting.

The Audit Commission will carry out an onsite audit of the approved accounts in order to provide an opinion on their accuracy and completeness. This may result in amendments to the accounts, which will be reported at the September meeting.

Recommendations

(a) *That the Committee approves the 2007/08 Statement of Accounts, subject to subsequent amendments agreed with the external auditor;*

(b) *That the Chair of the Committee signs and dates the Statement of Accounts.*

12. Introduction of the new Annual Governance Statement

Members are asked to note that the Governance reporting requirements for councils

have changed again. As from the 2007/08 accounts year (ending 31 March 2008), councils are now required* to produce an 'Annual Governance Statement' instead of the previous Statement on Internal Control. The Annual Governance Statement should set out the Council's arrangements for directing and controlling the organisation, its decision-making processes and the ways in which it leads the community.

The statutory timetable for publishing the new Annual Governance Statement is the same as that for publishing the annual statement of accounts, i.e. 30 September 2008 in respect of the 2007/08 accounts year. The Annual Governance Statement must be as up-to-date as possible at the publication date. Therefore the Annual Governance Statement will be presented to the Committee at its next meeting on 24 September 2008 for its formal approval.

The Committee is asked to note a related matter. The Executive considered report 24/08 on Council Aspirations for Future Performance Inspections at its meeting on 6 June 2008. The Executive resolved that officers should not expend any additional effort than that already provided for in Service Plans on the annual use of resources assessment and production of the Annual Governance Statement. In practice this means that the Annual Governance Statement will be drafted to meet the minimum statutory requirements (minute Ex.18 refers).

* Required by Accounts & Audit Regulations (Amendment) Regulations 2006 statutory Instrument 564/2006; Circular 03/2006 from the Department for Communities and Local Government; CIPFA/SOLACE Governance Framework; and, CIPFA Statement of Recommended Practice 2007 - Code of Practice on Local Authority Accounting.

13. Internal Audit Annual Report 2007/08

(Pages 191 - 200)

To receive and consider report 39/08 of the Audit Manager.

Introduction and Report Summary

The purpose of this report is to report on the work of Internal Audit in the year ended 31st March 2008, and to advise the Committee of the Audit Manager's opinion on the overall adequacy and effectiveness of the internal control environment.

The Contact Officer for this report is Adrianna Penn, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Recommendation

that Members note the content of the report.

14. Internal Audit Management Report Quarter 1 2008/09

(Pages 201 - 208)

To receive and consider report 40/08 of the Audit Manager.

Introduction and Report Summary

The purpose of this report is:

- to report on management issues
- to summarise the progress of internal audit against the 2008/2009 audit plan up to the 16th June 2008.
- to summarise the priorities and planned audit work for quarter 2 2008/2009.

The Contact Officer for this report is Adrianna Penn, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Recommendation

that Members note the content of the report.

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

None