

Minutes

of a meeting of the

Audit and Governance

Committee

held on Wednesday, 24 September 2014 at 6.30 pm
at The Lockinge, The Beacon, Portway, Wantage, OX12 9BY



Open to the public, including the press

Present:

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

Officers: David Buckle, Steve Culliford, William Jacobs, Fiona Kaluza, Adrianna Partridge and Bob Watson

Also present: Adam Swain (Ernst & Young)

Number of members of the public: Nil

AG.12 Notification of substitutes and apologies for absence

Councillor Julia Reynolds had sent her apologies for absence.

AG.13 Minutes

RESOLVED: to adopt as a correct record the minutes of the committee meeting held on 3 July 2014 and agree that the chairman signs them.

AG.14 Actions arising

The committee considered the actions arising report.

RESOLVED: to

- (a) retain the following actions in the actions arising report:
- The strategic director to consider consulting on the public's comprehension of council financial information
 - To change the process for monitoring systemic control weaknesses to put the onus on the 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. The committee retained this to test effectiveness of the new system

- Building Control 2011/12 due to outstanding actions. The committee asked for a reconciliations update on Building Control at its next meeting.

(b) remove the following action from the actions arising report as it is now complete:

- the elections review 2014, as this will now be conducted by the Scrutiny Committee and not by the audit team or the Audit and Governance Committee

AG.15 Declarations of interest

None

AG.16 Urgent business and chairman's announcements

None

AG.17 Statements, petitions, and questions from the public relating to matters affecting the Audit and Governance Committee

None

AG.18 Comments and complaints 2013/14

The committee considered the chief executive's report on comments on complaints received during 2013/14 and proposed changes to the corporate complaints system.

The level of complaints received during the year had reduced slightly from the previous year but there had been a slight increase in complaints to the ombudsman. Most complaints had been about planning decisions.

The chief executive had reviewed the current system and recommended a change to speed up stage 2 and remove stage 3. The ombudsman had supported this change. The committee agreed also, believing that it would speed up the system and make it easier to follow for complainants. Ward members would be informed of ward specific issues as part of this system, and of the outcome. The committee also asked that training on this system was included in the councillor induction programme following the May 2015 elections.

RESOLVED: to

- (a) approve the revised corporate complaints procedure attached as appendix one to the report of the chief executive to the Audit and Governance Committee meeting on 24 September 2014;
- (b) carry out a short review of the complaints procedure every twelve months and a thorough evaluation every three years; and
- (c) include training on the corporate complaints procedure as part of the councillors' induction programme following the May 2015 elections.

AG.19 Internal Audit activity report - second quarter 2014/15

The committee considered the audit manager's report on internal audit activity during the second quarter 2014/15. This summarised the outcomes of recent audit activity. Five audits had been completed during the quarter, together with four follow-up audits.

Anti-fraud and corruption arrangements 2014/15

The committee noted that this audit had received limited assurance from internal audit. However, the service manager had agreed to each recommendation made by the internal auditor. In answer to questions from councillors, officers kept up to date with legislative changes through the professional institute, networking groups, and legal updates. Also, councillors would next receive training in anti-fraud and corruption arrangements as part of the councillors' induction programme following the May 2015 elections. The committee recalled that as part of the whistleblowing policy, any staff or councillor could approach internal audit in confidence with any concerns.

Temporary accommodation follow-up audit 2014/15

The service manager had agreed to each of the internal auditor's recommendations in the follow-up audit but some actions were ongoing. In answer to questions from councillors, it was reported that Cabinet was reviewing the council's homelessness strategy and the temporary accommodation housing stock. The chairman advised that this was better reviewed by the Scrutiny Committee. The audit manager reported that there would be a further follow-up report.

Outstanding recommendations from past audit reports

The committee recalled that at its last meeting it had asked the interim audit manager to produce for each committee meeting a report showing outstanding recommendations from previous audits. However, the audit manager reported that the spreadsheet method previously used to produce this report was labour-intensive. The audit manager proposed using a more efficient web-based report for all councillors that would allow them to investigate individual recommendations through a database. This was being designed by in-house IT staff and would be available for the next committee meeting.

In response, one councillor expressed disappointment that the report was not available for this meeting, as requested. However, the committee agreed to review the report in its new format once it became available. The chairman asked for a test version of the report to be made available to councillors as soon as possible. Councillor Pat Lonergan offered to test the system.

RESOLVED: to

- (a) note the internal audit activity report for the second quarter 2014/15; and
- (b) circulate the new outstanding recommendations report to committee members as soon as possible and ensure that it is operational before the next committee meeting.

AG.20 Internal Audit management report - second quarter 2014/15

The committee considered the audit manager's management report on internal audit for the second quarter 2014/15. The committee noted that a vacancy existed for an auditor and Mr Pullen had been appointed as interim cover. The committee expressed some concern at the turnover of staff in internal audit, noting that the high cost of living in Oxfordshire was a contributory factor, resulting in some staff commuting long distances.

RESOLVED: to note the internal audit management report for the second quarter 2014/15.

AG.21 Treasury management outturn 2013/14

The committee considered the head of finance's report which monitored the treasury management activities for the financial year 2013/14. This showed that investment income was £122,000 over the estimated income for the year. The committee welcomed this news.

One councillor asked how much was re-invested in maintenance of council-owned property. The ability to monitor net returns was important. The accountant agreed to provide an answer outside the meeting. However, it was noted that the council's insurers were content with the council's property maintenance plan.

RESOLVED: to

- (a) note the treasury management outturn report 2013/14; and
- (b) advise Cabinet that the Committee is satisfied that the treasury activities in 2013/14 have been carried out in accordance with the treasury management strategy and policy.

AG.22 External auditor's annual governance report 2013/14

The committee considered the audit results report for 2013/14 from the external auditor, Ernst & Young. Adam Swain, who had conducted the audit, reported that he had found no indications of fraud, was satisfied with the level of provision set aside for appeals by non-domestic ratepayers, and was satisfied that the figures in the asset register were accurate. Overall, the auditor gave the council an unqualified opinion on the council's financial statements.

Officers welcomed feedback from the auditor on potential weaknesses in the asset register and would use this to make improvements.

RESOLVED: to note the audit results report from the external auditor.

AG.23 Statement of accounts 2013/14

The committee considered the statement of accounts 2013/14. This set out the financial statements required to meet the international financial reporting standards, guidance from the external auditor, and guidance from the Chartered Institute of Public Finance and Accountancy.

Councillors noted that the external auditor, Ernst & Young, had given an unqualified opinion on the accounts; the committee welcomed this.

RESOLVED: to approve the statement of accounts 2013/14.

AG.24 Annual governance statement 2013/14

The committee considered the annual governance statement for 2013/14. This set out how the council had met the requirements of good governance over the year, and suggested areas for improvement in 2014/15.

RESOLVED: to approve the annual governance statement 2013/14.

AG.25 Letter of representation to the council's external auditor

The committee noted that the chairman and the section 151 officer had signed a 'letter of representation' to the external auditor, as part of the process in completing the statement of accounts. Copies of the letter were available for committee members.

AG.26 Audit and governance work programme

The committee reviewed its work programme, noting the business it was due to consider at its next meetings.

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

None

The meeting closed at 8.15 pm