

AUDIT COMMITTEE

MINUTES of the meeting held on Wednesday, 21 September 2011 commencing at 11.00 am and finishing at 1.20 pm

Present:

Voting Members: Councillor David Wilmshurst – in the Chair
Councillor Charles Mathew (Deputy Chairman)
Councillor Alan Armitage
Councillor Tony Crabbe
Councillor A.M. Lovatt
Councillor John Sanders (In place of Councillor Roy Darke)
Councillor C.H. Shouler
Councillor Lawrie Stratford

Non-voting Co-optees: Dr Geoff Jones

Other Members in Attendance: Councillor Nick Carter
Councillor Jim Couchman

By Invitation: Mary Fetigan & Maria Grindley, Audit Commission

Officers:

Whole of meeting Peter Clark, Head of Law & Governance, Sue Scane, Assistant Chief Executive & Chief Finance Officer, Ian Dyson, Chief Internal Auditor, Geoff Malcolm, Committee Officer

Part of meeting Stephanie Skivington (Item 6)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

43/11 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apology from	Substitute
Councillor Roy Darke	Councillor John Sanders
Councillor Larry Sanders	-

44/11 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 7 July 2011 (AU3) were approved and signed.

Matter arising from Minute 41/11

Councillor Armitage confirmed that the discussion had taken place. The Committee asked the Monitoring Officer to report to the 's next meeting in order to clarify Audit Committee involvement with the scrutiny function.

45/11 AUDIT COMMISSION

(Agenda No. 5)

(The Committee took Agenda Items 5 & 6 together; for ease of reference the items are minuted separately).

The Committee considered:

the Annual Governance Report 2010/11 (Oxfordshire County Council);

the Annual Governance Report 2010/11 (Oxfordshire County Council Pension Fund) (**AU5**); and

an addendum (a copy of which is attached to the signed Minutes).

Ms. Grindley, Audit Commission presented the Reports which summarised the findings from the 2010/11 audit, which was substantially complete. No weaknesses were found and she commended the Council's staff for putting early arrangements in place for the implementation of the new international financial regulations.

The Committee considered the key messages in the Reports and took note of the adjustments to the financial statements, agreed (in respect of the OCC Report) with management's reasons for not amending the 2 extrapolated errors which the Commission had identified as set out in the draft letter of representation, and approved the letters of representation and the proposed action plans.

Members welcomed the two Audit Commission Annual Governance Reports and, with Councillor Jim Couchman, Cabinet Member for Finance & Property thanked the Audit Commission representatives for them.

Audit Commission Outsourcing Update:

At members' request Ms. Grindley and Ms. Fetigan then summarised the current position regarding the timetable for the outsourcing process, as follows:

Following confirmation of the outsourcing of all local audit work from 2012/13, the Audit Commission was now able to provide further details about the timetable for the principal bodies' and small bodies' procurements.

AU3

The table below provided the key milestones currently planned for each of the procurements. This was intended as a guide and while the Commission did not intend to depart from the timetable it reserved the right to do so at any stage.

Key milestone	Principal bodies' procurement	Small bodies' procurement
Issue Contract Notices in the Official Journal of the European Union	5 September 2011	5 September 2011
Issue pre-qualification questionnaires (PQQ) on request	From 5 September 2011	From 5 September 2011
Deadline for return of PQQs	7 October 2011	7 October 2011
Issue invitations to tender and anonymised TUPE information to selected suppliers	w/c 24 October 2011	w/c 7 November 2011
Deadline for submission of tenders	16 December 2011	6 January 2012
Approval of contract awards	w/c 20 February 2012	w/c 19 March 2012
Consultation with audited bodies on appointments	23 April - 13 July 2012	7 May - 6 July 2012
Approval of auditor appointments	w/c 23 July 2012	w/c 9 July 2012
Appointments for 2012/13 commence	1 September 2012	1 September 2012
Staff transfer to firms awarded contracts	31 October 2012	31 October 2012

RESOLVED: to note the reports.

46/11 FINAL STATEMENT OF ACCOUNTS 2010/11

(Agenda No. 6)

The Committee considered the Final Statement of Accounts 2010/11 and the Management Representation Letter 2010/11 to the Auditors (**AU6**).

Ms. Skivington introduced the report and outlined the changes which had been made in line with the new international financial regulations. An addendum was circulated (a copy of which is attached to the signed Minutes) regarding the Pension Fund Accounts Note 1 - accounting policies basis of preparation, a new Note 21 – Financial Instruments, and a revised note 22 - Risk. She then responded to members' questions and comments including the treatment of reserves and grants under the new regulations.

The Committee, with Councillor Jim Couchman, Cabinet Member for Finance & Property, thanked the relevant Council staff for their excellent work on the introduction of the new Regulations and the Final Statement of Accounts.

The County Solicitor undertook to respond following the meeting to members' queries regarding asset transfer and the new Academies, and the current position of the Nettlebed School site.

RESOLVED to:

- (a) subject to the Chief Finance Officer finalising changes to the disclosure notes with the Audit Commission, approve the Final Statement of Accounts 2010/11 (signed by the Chairman of the Committee) for publication by 30 September 2011; and
- (b) approve the Management Representation Letter 2010/11.

47/11 AUDIT WORKING GROUP - 8 SEPTEMBER 2011

(Agenda No. 7)

The Committee considered a report (**AU7**) which summarised the main business items arising at the most recent meeting of the Audit Working Group (AWG), which were as follows:

AWG4 – Highways & Transport Action Plan Update*
AWG6 – Internal Audit – Issues & Follow-up Progress
AWG7 – SAP Roles Update
AWG8 – Fairer Charging Update

*In relation to AWG 4 'Highways & Transport Action Plan Update' the Committee agreed, subject to Audit Working group consideration, to include in its Work Programme the Highways Contract (management actions) as an agenda item on 16 November 2011 and ask the Senior officers concerned to:

- arrange / attend an informal briefing for all Councillors on 16 November 2011 at 10am (prior to the Audit Committee at 11am);
- prepare and circulate the informal briefing note in advance of the meeting of the Audit Working Group on 3 November 2011; and
- attend the Audit Committee for this item on 16 November 2011.

RESOLVED: to note the report.

48/11 INTERNAL AUDIT PLAN - QUARTER 3, 2011/12

(Agenda No. 8)

The Committee considered a report (**AU8**) which presented the Internal Audit Plan for quarter 3, 2011/12.

In relation to 'Treasury Management Audit' Councillor Stratford spoke in favour of an enhancement of member training to support councillors in their Treasury Management scrutiny/challenge role.

RESOLVED: to

- (a) approve the quarter 3 Internal Audit Plan; and
- (b) note the progress with the Quarter 1 & 2 activity.

49/11 LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REVIEW OF OXFORDSHIRE COUNTY COUNCIL

(Agenda No. 9)

The Committee considered a report (**AU9**) which summarised the findings of the Local Government Ombudsman (LGO)'s Annual Review of Oxfordshire County Council for the year ended 31 March 2011. The Annual Review set out the nature of the issues considered by the Ombudsman and the Council's performance in handling them.

Mr. Clark introduced the report. There were no trends or issues of concern arising from the LGO's Review.

The Committee welcomed the overall positive findings of the Review.

RESOLVED: to note the report on the Local Government Ombudsman's Annual Review of Oxfordshire County Council for 2010.

50/11 AUDIT COMMITTEE WORK PROGRAMME - REVIEW / UPDATE

(Agenda No. 10)

The Committee reviewed / updated it's Work Programme (**AU10**).

RESOLVED: to agree the Work Programme subject to:

16 November 2011:

- add: 'Clarification of Audit Committee involvement with the scrutiny function' (Monitoring Officer);
- add: 'Business Strategy: update & key extracts from the Cabinet's Financial Monitoring & Business Strategy Delivery report' (Chief Finance Officer); and
- delete: 'Financial Management Action Plan' (as the Committee had decided it was no longer required).

..... in the Chair

Date of signing