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## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 26 April 2017 commencing at 1.00 pm and finishing at 3.00 pm

**Present:**

**Voting Members:** Councillor Sandy Lovatt – in the Chair

Councillor David Wilmshurst (Deputy Chairman)  
Councillor David Bartholomew  
Councillor Yvonne Constance OBE  
Councillor Tim Hallchurch MBE  
Councillor Nick Hards  
Councillor Alison Rooke  
Councillor Roz Smith  
Dr Geoff Jones

**Non-voting Members:** Dr Geoff Jones

**By Invitation:** Alan Witty and Alison Kennett (Ernst & Young)

**Officers:**

Whole of meeting Lorna Baxter, Director of Finance; Nick Graham, Director of Law and Governance; Ian Dyson, Assistant Chief Finance Office (Assurance); Sarah Cox, Chief Internal Auditor, Colm Ó Caomhánaigh, Committee Officer.

Part of meeting

<b>Agenda Item</b>	<b>Officer Attending</b>
9	Ben Threadgold, Policy and Performance Service Manager
11	Simon Furlong, Chief Fire Officer Julian Green, Strategic Risk and Assurance
12	Glenn Watson, Principal Governance Officer

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and additional documents, copies of which are attached to the signed Minutes.*

### **20/17 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS** (Agenda No. 1)

Apologies were received from Councillor John Tanner.

## **21/17 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE**

(Agenda No. 2)

There were no declarations of interest.

## **22/17 MINUTES**

(Agenda No. 3)

The minutes of the meeting held on 8 March 2017 were approved and signed.

Councillor Bartholomew told the meeting that he will bring a motion to Council regarding speaking rights for city and district councillors at County Council planning meetings.

## **23/17 PROPOSED CHANGE OF MEETING DATE**

(Agenda No. 4)

**RESOLVED: to change the date of the Committee meeting originally scheduled for 12 July 2017 to take place on 5 July 2017, starting at 2pm.**

## **24/17 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR 2016/17**

(Agenda No. 6)

Ms Cox summarised the annual report. In last year's report the Opinion was 'qualified' whereas this year it has improved to 'reasonable'. All reports were finalised on time. Two reports resulted in a Red rating and the Audit Working Group is monitoring these.

Members raised a number of issues and officers responded as follows:

- Although local authority responsibility for schools is declining, proportionate checks are continuing on schools to ensure they are managing their budgets.
- The investigation reported on Agenda page 43, involving a payment of £2,400 per week, is not exceptionally large. That case has been resolved but others have been picked up requiring additional actions.
- The increase in travel expense claims is being examined under a general review of travel expenses expected to be completed by the end of June.
- The Council has powers to suspend budgets or otherwise intervene with maintained schools.
- Awareness training for social workers with regard to direct payments has been very beneficial. Payment cards will be rolled out in Q2 and Q3 which will give complete visibility, rather than having to seek information.
- In response to suggestions that certain ratings should be Red rather than Amber, Ms Cox stated that in those cases there were no material inaccuracies that would justify a Red rating. Amber ratings are treated the same as Red in that the implementation of actions is expected.
- Local Authority Governors in maintained schools are always notified of any issues that arise.
- Continuing concerns raised regarding the highways contract will be addressed in the report coming to the Committee at the July meeting.

**RESOLVED: to endorse the annual report.**

**25/17 INTERNAL AUDIT STRATEGY & ANNUAL PLAN 2017/18**

(Agenda No. 7)

Ms Cox introduced and summarised the report. The main plan in Appendix 1 had been agreed with the Directors and External Auditors.

Members asked about the chargeable days for the Oxford City Council Investigation Team and if other districts could be involved. Mr Dyson responded that a regional hub had been proposed but consensus could not be achieved. The County Council was successful in a bid for central funding and funds the reviews but the City Council controls them. There are currently arrangements with Vale of White Horse and South Oxfordshire County Council on staffing resources. While the reviews are the responsibility of the city and district councils, the County Council also benefits.

Clarification was sought as to whether the Committee should note, approve or endorse the plan. Mr Graham agreed that the word “endorse” was appropriate.

**RESOLVED: to**

**a) endorse the Internal Audit Strategy for 2017/18 and the 2017/18 Internal Audit Plan; and**

**b) endorse the 2017/18 Counter-Fraud Plan.**

**26/17 AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2016**

(Agenda No. 8)

The report was presented by the Chairman and he invited comments and suggestions.

Members particularly acknowledged the valuable work of the Chairman of the Audit Working Group.

It was noted that, on the official record of attendance at Committee meetings, a Member of the Committee is recorded as present even if they attend only part of the meeting. It was suggested that the record should reflect part attendance.

It was agreed that the reference in the report to the former Audit Commission in Annex 1 paragraph 5 should be deleted.

**27/17 EXTERNAL AUDITORS**

(Agenda No. 10)

Mr Witty presented the update and fee letters. It is expected that with improved controls the Auditors will need less substantive testing than last year. Work has started on the new Adult Social Care systems. There are no increases in fees since last year.

Asked if his company contracted out IT reviews, Mr Witty confirmed that they did not.

**RESOLVED: to note the report and fee letters.**

## **28/17 ANNUAL SCRUTINY REPORT**

(Agenda No. 9)

Mr Threadgold presented and summarised the annual report. He also reported that independent training on scrutiny will be included in the induction programme for new and continuing Members following the Council elections.

Members made a number of comments and suggestions on the report as follows:

- There should be a separate scrutiny committee on Social Care as it accounts for half the council budget.
- On Agenda page 106, the second bullet point, under “Workplace Charging ....” doesn’t appear to relate to the heading and should be separate.
- The report outlined what was done very well but didn’t really say what was achieved.
- The S106 review should have a section to itself to reflect its importance and the fact that Members thought it was an exemplary “deep-dive”.
- It was noted that there were no call-ins this year.

Mr Graham added that a parliamentary select committee is currently examining scrutiny as it is generally viewed as not being as successful as it could be.

**RESOLVED: to note the report.**

## **29/17 OFRS STATEMENT OF ASSURANCE 2016-17**

(Agenda No. 11)

Mr Furlong introduced the report. He stated that, the CIPFA financial information is not yet available for the reporting year 2015-16, so the 2014-15 information has been retained. This will be updated later in 2017 once CIPFA release the data.

Members of the Committee raised points and officers responded as follows:

- The response model adopted with neighbouring counties’ services ensures that the quickest service will attend even if out of area.
- It is hoped to fill the vacant position of Area Manager Collaboration with a potential secondment in the next couple of weeks.
- The service has started to assist with medical emergencies and a Memorandum of Understanding on cardiac arrests is in progress.
- The service also assists with effecting entry to premises as the police response can be delayed due to pressures on their resources.
- OFRS properties have been included in the Council’s review and information that will be available on the intranet will include their facilities.

**RESOLVED: to note the report.**

**30/17 ANNUAL GOVERNANCE STATEMENT**

(Agenda No. 12)

Mr Graham introduced the report which had already been before the Audit Working Group (AWG). It outlined changes in the format of the Annual Governance Statement which now focuses on

- an ‘opinion’ on the Council’s governance arrangements,
- a review of effectiveness,
- a review of last year’s action plan, and
- an action plan for the coming year.

Members welcomed the new format and noted that points raised by the AWG had been taken up. Mr Jones expressed concern that when actions are incomplete and carried forward to the following year, the Committee doesn’t see that they have been completed.

**RESOLVED: to approve the Annual Governance Statement 2016/17, subject to the Director of Law and Governance making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, Chief Executive and Section 151 officer.**

**31/17 AUDIT WORKING GROUP REPORT**

(Agenda No. 13)

The report was introduced by Ms Cox.

Mr Dyson reported that most Member meetings scheduled for May and June have been postponed due to the general election called for 8 June 2017. As a result the next Audit Working Group meeting will not now take place until late August or early September. In view of that, the membership of the working group can be decided at the Committee’s July meeting.

**RESOLVED: to note the report.**

**32/17 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME**

(Agenda No. 14)

The Committee agreed their work programme subject to the following change:

The meeting originally scheduled for 12 July 2017 will now be held on 5 July 2017 and the Appointment of the Audit Working Group will be added to the items on the agenda for that meeting.

..... in the Chair

Date of signing ..... 2017

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