

To: Members of the Audit Committee

Notice of a Meeting of the Audit Committee

Wednesday, 16 November 2011 at 11.00 am

County Hall

Peter G. Clark.

Peter G. Clark
County Solicitor

November 2011

Contact Officer: **Geoff Malcolm,**
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Membership

Chairman – Councillor David Wilmshurst
Deputy Chairman - Councillor Charles Mathew

Councillors

Alan Armitage
Tony Crabbe
Roy Darke

A.M. Lovatt
Larry Sanders
C.H. Shouler

Lawrie Stratford

Co-optee

Dr Geoff Jones

Notes:

- **10.00am-10.50am (prior to the Committee meeting). Informal pre-meeting briefing for all members: 'Highways & Transport' in Meeting Room 2**
- **The Cabinet Member for Finance & Property has a standing invitation to attend and speak on agenda items within his portfolio**
- **The Chairman (or Deputy Chairman) of the Strategy & Partnerships Scrutiny Committee has a standing invitation to attend and speak on agenda items**
- **A working lunch will be available**
- **Date of next meeting: 18 January 2012**

Declarations of Interest

This note briefly summarises the position on interests which you must declare at the meeting. Please refer to the Members' Code of Conduct in Part 9.1 of the Constitution for a fuller description.

The duty to declare ...

You must always declare any "personal interest" in a matter under consideration, i.e. where the matter affects (either positively or negatively):

- (i) any of the financial and other interests which you are required to notify for inclusion in the statutory Register of Members' Interests; or
- (ii) your own well-being or financial position or that of any member of your family or any person with whom you have a close association more than it would affect other people in the County.

Whose interests are included ...

"Member of your family" in (ii) above includes spouses and partners and other relatives' spouses and partners, and extends to the employment and investment interests of relatives and friends and their involvement in other bodies of various descriptions. For a full list of what "relative" covers, please see the Code of Conduct.

When and what to declare ...

The best time to make any declaration is under the agenda item "Declarations of Interest". Under the Code you must declare not later than at the start of the item concerned or (if different) as soon as the interest "becomes apparent".

In making a declaration you must state the nature of the interest.

Taking part if you have an interest ...

Having made a declaration you may still take part in the debate and vote on the matter unless your personal interest is also a "prejudicial" interest.

"Prejudicial" interests ...

A prejudicial interest is one which a member of the public knowing the relevant facts would think so significant as to be likely to affect your judgment of the public interest.

What to do if your interest is prejudicial ...

If you have a prejudicial interest in any matter under consideration, you may remain in the room but only for the purpose of making representations, answering questions or giving evidence relating to the matter under consideration, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Exceptions ...

There are a few circumstances where you may regard yourself as not having a prejudicial interest or may participate even though you may have one. These, together with other rules about participation in the case of a prejudicial interest, are set out in paragraphs 10 – 12 of the Code.

Seeking Advice ...

It is your responsibility to decide whether any of these provisions apply to you in particular circumstances, but you may wish to seek the advice of the Monitoring Officer before the meeting.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note**
3. **Minutes** (Pages 1 - 6)

To approve the minutes of the meeting held on 21 September 2011 (**AU3**) and to receive information arising from them.

4. **Petitions and Public Address**
5. **Audit Commission** (Pages 7 - 18)

11:10

Annual Audit Letter 2010/11 (**AU5**); and

Audit Commission Progress Report (oral report)

A representative of the Audit Commission will attend for these items.

6. **Audit Working Group - 3 November 2011** (Pages 19 - 32)

11:30

Report by Assistant Chief Executive & Chief Finance Officer (**AU6**)

The report summarises the matters arising at the most recent meeting of the Audit Working Group (AWG), and includes three recommendations. In particular, the report highlights potential changes to the Corporate Governance Framework which have been considered by the Working Group and which the Committee is asked to approve. One proposed change is the potential removal of 'Partnerships' as a corporate process with the consequent implication that there would, in future, be no corporate lead assurance statement. Other changes are more minor and relate largely to changes in post titles. The proposed revisions are highlighted Appendix 2 to the report.

The Committee is RECOMMENDED to:

- a) ***agree the pre meeting development session for the meeting on 18 January should be a briefing on the Adult Information System (AIS) project;***
- b) ***approve the revised Corporate Governance Assurance Framework; and***

- c) ***agree the cancellation of the AWG on 5 January 2012.***

7. Risk Management Annual Review

11:50

The Risk Management Annual Review (**AU7** (circulated separately)) summarises progress in this area since October 2010. It also provides an outline of the way ahead for the coming 12 months.

Progress is reported against the key workstreams and improvement plan. An assessment of the new assurance process for risk management is provided.

The report sets out the planned approach to risk management for the coming year and sets out key milestones for activity.

The Committee is RECOMMENDED to:

(a) note the progress to date; and

(b) provide any feedback on the report.

8. Treasury Management Mid Term Review 2011-12 (Pages 33 - 44)

12:10

Report by Assistant Chief Executive & Chief Finance Officer (**AU8**)

The report sets out the Treasury Management activity undertaken in the first half of the financial year in compliance with the CIPFA Code of Practice. The report includes Debt and Investment activity, an update on Prudential Indicators, changes in Strategy, any Breaches of approved Strategy and a forecast of interest receivable and payable in the financial year.

The Cabinet on 15 November 2011 is recommended to note the report and to recommend Council to note the Council's Mid Term Treasury Management Review 2011/12.

The Committee receives the Review for consideration and comment.

12:30 **Working lunch**

9. Annual Governance Statement - Action Plan Progress (Pages 45 - 52)

12:40

Report by the Monitoring Officer & Head of Law & Governance (**AU9**)

The 2010/11 Annual Governance Statement and action plan for 2011/12 was approved by the Audit Committee in July 2011. Progress against the action plan is monitored by the Corporate Governance Assurance Group, and reported to the Audit Working Group. Due to the full agenda for the November Audit Working Group, the update is instead being presented to the Audit Committee to note progress made.

The Committee is RECOMMENDED to note the report.

10. Audit Committee Involvement With The Scrutiny Function (Pages 53 - 56)

1:00

Report by County Solicitor & Monitoring Officer (**AU10**)

At its last meeting, the Committee asked for clarification as to the involvement of the Audit Committee in the Council's scrutiny function. This report outlines the complementary nature of the two functions and indicates a potential means of closer liaison.

The Committee is RECOMMENDED to ask that the Annual Report of Scrutiny Committees is received by the Audit Committee in draft form each year for comment.

11. Business Strategy

1:20

The Assistant Chief Executive & Chief Finance Officer will give an oral update on key matters in the Cabinet's Financial Monitoring and Business Strategy Delivery Report.

The Committee is RECOMMENDED to note the report.

12. Audit Committee Work Programme - Review / Update (Pages 57 - 58)

1:40

To review / update the Committee's Work Programme (**AU12**).

1:45 Close of meeting

An explanation of abbreviations and acronyms is available on request from the Assistant Head of Finance (Audit).

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **Thursday 10 November 2011** at **2:00pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.