

To: Members of the Audit Committee

Notice of a Meeting of the Audit Committee

Wednesday, 18 January 2012 at 11.00 am

County Hall

Peter G. Clark.

Peter G. Clark
County Solicitor

January 2012

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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:

Date of next meeting: 29 February 2012

- ***There is no informal pre-meeting briefing prior to the Committee meeting***
- ***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***

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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 16 November 2011 (**AU3**) and to receive information arising from them.

4. **Petitions and Public Address**
5. **Audit Commission** (Pages 7 - 70)

11:10

2011/12 - Oxfordshire County Council (OCC) Audit Plan
2011/12 - Oxfordshire Pension Fund Audit Plan
2010/11 - Certification of Claims & Returns – OCC
2011/12 - External Audit Progress Report January 2012 – OCC

A representative of the Audit Commission will attend for these items (**AU5**).

The Committee is RECOMMENDED to consider and comment on the reports.

6. **Internal Audit 2011/12 Progress Report and Quarter 4 Plan** (Pages 71 - 110)

11:30

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

This report presents the Internal Audit Progress Report and Plan for quarter 4 2011-12.

The Committee is RECOMMENDED to note the report.

7. **Review of the Process for Reporting on the Effectiveness of the System of Internal Audit** (Pages 111 - 114)

11:50

Report by Assistant Chief Executive & Chief Finance Officer (**AU7**).

In accordance with the Accounts and Audit Regulations 2011 the Council is required to undertake a review of the effectiveness of the system of Internal Audit. The report details for the consideration and approval of the Committee the assurance framework and suggested process for undertaking and reporting on the review.

The Committee is RECOMMENDED to:

- (a) approve the process for reviewing the effectiveness of the System of Internal Audit;***
- (b) approve the circulation list, content and format of the Annual Survey Questionnaire;***
- (c) authorise the Monitoring Officer to undertake the review and report back to the Audit Committee.***

8. Treasury Management Strategy Statement (Pages 115 - 130)

12:10

A copy of the report to Cabinet on 17 January 2012 by the Assistant Chief Executive & Chief Finance Officer on the Treasury Management Strategy Statement and the Annual Investment Strategy for 2012/13 is attached (**AU8**).

This document complies with the technical requirement of the CIPFA Treasury Management Code of Practice. It sets out, amongst other things the investment strategy for the Council's temporary cashflow surpluses. The strategy continues the previous policy of maintaining security of capital, along with the liquidity of its investments, whilst achieving the optimum return on its investments commensurate with risk. Potential maximum exposure to credit risk is reflected in the Statement of Accounts and is taken into account in the assessment of the level of balances required.

The Strategy for 2012/13 continues with the principle of prioritising security and liquidity of principal over investment return. As government funding for capital is now by grant rather than approval to borrow, new borrowing for capital only applies to prudential schemes. Where it is in the Council's interest to do so, the use of internal funds instead of external borrowing for these schemes will apply. In addition, it is again proposed that any changes applied to the 2012/13 Treasury Management Strategy can be delegated to the Chief Finance Officer in consultation with the Leader and Cabinet Member for Finance. This is included in the recommendations below.

The Cabinet's decision will be reported to the Committee.

The Committee is RECOMMENDED to consider the report prior to Council.

9. Audit Committee Work Programme - Review/Update (Pages 131 - 132)

12:30

To review / update the Committee's Work Programme (**AU9**).

10. DCLG Consultation on the Future of Local Public Audit

12:35

The Chief Internal Auditor reports as follows:

In June 2011 the Audit Working Group and the Committee considered the DCLG consultation paper on the "Future of Local Public Audit". Following the discussions a response to the consultation was submitted at the end of June. The DCLG response has now been received, and the Chief Internal Auditor will present a brief summary of the key points.

12:45 **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 12 January 2012 at 2pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.