

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 3 July 2013 commencing at 1.00 pm and finishing at 5.02 pm

Present:

Voting Members: Councillor David Wilmshurst – in the Chair

Councillor Charles Mathew (Deputy Chairman)
Councillor Surinder Dhesi
Councillor Janet Godden
Councillor Sandy Lovatt
Councillor Caroline Newton
Councillor Susanna Pressel
Councillor Roz Smith
Councillor Lawrie Stratford

Non-voting member Dr Geoff Jones

By Invitation: Mary Fetigan (Ernst & Young)

Officers:

Whole of meeting S. Scane and I. Dyson (Finance); P. Clark and G.Warrington (Law & Governance)

Part of meeting

Agenda Item	Officer Attending
9	S. Skivington (Finance)
10	G. Ley (Finance)
13	R. Webb (Social & Community Services)

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.

26/13 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS (Agenda No. 1)

An apology was received from Maria Grindley (Ernst & Young).

27/13 MINUTES

(Agenda No. 3)

The Minutes of meetings held on 17 April 2013 and 14 May were approved and signed subject to amending:

- the attendance list for the 17 April 2013 to show Dr Geoff Jones as a non voting member;
- the dates of signing for each set of minutes to read 2013.

Minutes 14 May 2013 – 25/13 Appointments

The Monitoring Officer confirmed that the Appeals & Tribunals Sub-Committee would not be taking formal decisions.

28/13 ANNUAL GOVERNANCE STATEMENT 2012/13

(Agenda No. 5)

The Committee considered the Annual Governance Statement explaining the County Council's compliance with the code of corporate governance and an update on actions identified last year to be carried out during 2012/13 and new actions for 2013/14.

Specific issues raised concerned:

- improvements to consultation between members and directorates;
- future governance of schools;
- governance arrangements for and adequate scrutiny of partnership work;
- SECAG group action plan and the need to try and avoid multiple targets for the end of year;
- benchmarking information on resources i.e staff, meetings etc.

The Committee noted textual amendments to paragraph 30 (delete second ICT in line 1) and paragraph 77, line 1 amend further enhance to read "enhance further".

RESOLVED: to approve the Annual Governance Statement 2012/13, subject to the County Solicitor & Monitoring Officer, 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.

29/13 EXAMINING LINKS WITH PERFORMANCE SCRUTINY COMMITTEE

(Agenda No. 6)

Following approval by Council of the restructuring of the Council's scrutiny arrangements the Committee considered a report (AG6) setting out options to establish a working relationship between this Committee and the newly formed Performance Scrutiny Committee.

It was noted that an abridged presentation on the role of the Audit & Governance Committee would be given immediately before the next meeting of the Performance Review Scrutiny Committee.

RESOLVED:

- (a) to promote joint working planning between the two committees on an as and when required basis to be agreed by the two Chairmen but that no specific meetings be scheduled;
- (b) reciprocal invitations be extended to the Chairmen of the Audit & Governance Committee and Performance Committee, or their nominees, to attend meetings.

30/13 ANNUAL REPORT OF THE MONITORING OFFICER

(Agenda No. 7)

Having assumed certain responsibilities from the Council's former Standards Committee with regard to the governance and standards of conduct for elected and co-opted members the Audit & Governance Committee would in future receive an annual report by the Monitoring Officer on actions and issues in that regard that had occurred in the previous year. His report (AG7) summarised certain activities for the year 2012/13 and used, as a guide, the terms of reference that had crossed over from the former Standards Committee.

The Monitoring Officer addressed a number of specific issues raised including possible alterations to the forward plan to identify and highlight where items had slipped; improvements to joint working with other authorities; benchmarking; confirmation of the advisory role of the members group and level of complaints.

RESOLVED: subject to insertion of "transparency" in the first line of paragraph 11 to endorse the Monitoring Officer's annual report.

31/13 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR 2012/13

(Agenda No. 8)

The Committee considered the Chief Internal Auditors annual report (AG8) which summarised the Internal Audit activity for 2012/13 and, in accordance with the requirements of the Accounts and Audit Regulations 2011 and the CIPFA Code of Practice for Internal Audit in Local Government 2006, set out an opinion on the council's system of internal control which formed part of the assurance framework used to inform the Annual Governance Statement.

Mr Dyson referred to a personal conflict of interest insofar as he was related to one of his senior managers but confirmed he was not responsible for that person's direct management.

Specific issues raised related to E & E's Property and Facilities Contract and development of an issues log; contract management and development of a contract

development framework; fraud; Bullfinch Trial and the necessity for some level of audit; design of new systems and process for transforming customer services.

The Chairman thanked the Chief Internal Auditor and his team for such a comprehensive report and suggested circulation to members of the Cabinet.

RESOLVED: to note the report.

32/13 STATEMENT OF ACCOUNTS 2012/13

(Agenda No. 9)

The Committee received the 2012/13 statement of accounts. No significant changes reported this year but it was expected that the next spending review and budget would inevitably be a hard one even though, by comparison to many other authorities, the Council was in a reasonably sound financial position.

Specific issues raised concerned:

- diminution of fixed assets if all schools adopted academy status, although it was confirmed that that would not affect the County Council's ability to borrow finance and that additionally the County Council would retain an interest in the development of adjacent land ie playing fields insofar as they could not be sold off without the County Council's agreement;
- confirmation that Icelandic deposits would be repaid by 2019;
- debtors;
- fairer charging refunds;
- exit packages.

It was confirmed that the County retained appropriate balances.

The Chairman thanked the officers for the production of a comprehensive and complex document.

RESOLVED: to note:

- (a) the Statement of Accounts for 2012/13 to be submitted to the auditor; and
- (b) the Summary Accounts for 2012/13.

33/13 TREASURY MANAGEMENT OUTTURN 2012/13

(Agenda No. 10)

The Committee considered (AG10) a report setting out Treasury Management activity in 2012/13 noting that "Council" in the recommendation should have read "Cabinet"

Specific issues raised concerned the performance of Investex which was still being monitored in order to enable different options to be considered in the near future. It was confirmed that the County Council retained a small number of deposits with Scottish authorities. These authorities were currently treated as part of the UK but

officers would consider the implications for those holdings bearing in mind the forthcoming referendum for Scottish independence.

The Committee thanked the officers for the comprehensive report.

RESOLVED: to note the report and **RECOMMEND** Cabinet to note the Council's Treasury Management Activity in 2012/13.

34/13 AUDIT WORKING GROUP REPORT

(Agenda No. 11)

The Committee considered (AG11) a summary of matters arising at the Audit Working Group.

It was noted that although the intention was to increase the number of future meetings of the Group the time allocated to each meeting would reduce. An additional meeting had been scheduled for 10 October 2013 at 2 pm and although a final schedule had not yet been agreed meetings to address specific issues would be arranged..

RESOLVED: that the report be noted.

35/13 ERNST & YOUNG - PROGRESS REPORT

(Agenda No. 12)

Mary Fetigan (Ernst & Young) presented reports on:

- Oxfordshire County Council 2013/14 fee letter
- Oxfordshire County Council Pension Fund 2013/14 fee letter
- Local Government Sector Update report

The Chairman thanked her and colleagues at Ernst & Young for their work over the past year.

RESOLVED: that the reports be noted.

36/13 REGULATION OF INVESTIGATORY POWERS ACT ANNUAL REVIEW 2013

(Agenda No. 13)

The Committee considered an overview of the use of activities which fell within the scope of the Regulation of Investigatory Powers Act 2000 by the County Council during the period April 2012 to March 2013.

RESOLVED: to note the periodic and annual use of Regulation of Investigatory Powers Act by Oxfordshire County Council.

37/13 INTERNAL AUDIT PAN - 2013/14 PROGRESS REPORT AND QUARTER PLAN 2

(Agenda No. 14)

The Committee considered (AG14) the Internal Audit progress report for 2013/14 and the Quarter 2 Plan.

It was confirmed that the Social Fund audit scheduled to start in Quarter 2 had a completion target set of 30 days, although it was possible that that work could carry over to and conclude in Quarter 3.

Counter fraud work with regard to blue badge applications had been highlighted by the government as an area subject to significant abuse.

RESOLVED: to approve the Q2 and Counter-fraud plans.

..... in the Chair

Date of signing 2013