

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 18 September 2013 commencing at 2.00 pm and finishing at 4.20 pm.

Present:

Voting Members: Councillor David Wilmshurst – in the Chair

Councillor Surinder Dhesi
Councillor Janet Godden
Councillor Sandy Lovatt
Councillor Caroline Newton
Councillor Susanna Pressel
Councillor Lawrie Stratford
Councillor Neil Owen
Councillor Zoé Patrick

Non-voting Member Dr Geoff Jones

By Invitation: Mary Fetigan and Maria Grindley (Ernst & Young).

Officers:

Whole of meeting S. Scane, Assistant Chief Executive & Chief Finance Officer, P. Clark, County Solicitor & Monitoring Officer, D. Miller and A. Newman.

Part of meeting

Agenda Item	Officer Attending
5	G. Watson
8	S. Skivington (Finance)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with the following additional documents: supplementary paper in relation to item 7 and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in agenda, reports and additional documents, copies of which are attached to the signed Minutes.

38/13 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

The following apologies and temporary appointments were received:

Councillor Neil Owen substituted on behalf of Councillor Charles Mathew and Councillor Zoe Patrick substituted on behalf of Councillor Roz Smith.

39/13 MINUTES
(Agenda No. 3)

The Minutes of the Meeting held on 3 July 2013 were approved and signed subject to the following amendment:

Minute 37/13 – in the title the text ‘Pan’ to be changed to ‘Plan’.

Matters Arising

Minute 29/3 – Mr Clark undertook to provide a written update to all members of the Committee regarding the work which was being undertaken to promote joint working between the Audit Governance Committee and the Performance Scrutiny Committee.

40/13 LOCAL GOVERNMENT OMBUDSMAN - CHANGES TO ANNUAL REVIEWS AND TO INVESTIGATIONS
(Agenda No. 5)

The Committee considered the County Solicitor and Monitoring Officer report (AG5) which highlighted changes to the ways in which Local Government Ombudsman intended to issue annual reports about each Council. It further summarised the changes to the Ombudsman’s approach to assessing and investigating cases. This followed a reorganisation of the Ombudsman service earlier this year.

Mr Clark reported that one consequence of the changes this year was that there was no traditional Annual Letter giving the Ombudsman’s detailed views on the County Council’s performance during 2012/13 and therefore there was no ability to benchmark against previous years’ performance. The annual letter did however highlight that the complaints received about Oxfordshire County Council were well below the average for county councils generally.

In response to a question from Members, Mr Clark confirmed that he monitored all complaints and would alert the Committee to any serious complaints and that an overview of the types of complaints received throughout the year were detailed in his Annual Monitoring Officer report.

RESOLVED: to note and comment upon this report and on the Local Government Ombudsman’s Annual Review of Oxfordshire County Council for 2012/13.

41/13 RISK MANAGEMENT ANNUAL REPORT
(Agenda No. 6)

The Committee considered the Risk Management Annual Report (AG6) which provided an overview of the Council’s activity both to manage risk across the organisation and to develop the risk management process.

Ms Bailey in introducing the report, indicated that the focus of the report this year had been around improving strategies and processes, including refreshing the Framework and providing support for the directorates to implement the guidelines. As part of this, directorate leads now met on a regular basis to review processes and share best practice.

Senior managers had been engaged in the adoption of the revised framework and had been supportive of the embedding process. On a quarterly basis CCMT monitored and discussed risks escalated on an exception basis, in conjunction with the performance management process. In addition, the Audit Working Group also received quarterly risk reports.

The next steps were to continue with the current work programme to ensure that processes were clearly established and embedded as business as usual. This would include a focus on delivering an e-learning package and a revision of support materials on the intranet as well as continued support and monitoring of the risk management process across the organisation.

The Committee welcomed the update and:

RESOLVED: to note the progress to date.

42/13 AUDIT WORKING GROUP REPORT

(Agenda No. 7)

The Committee considered a report (AG7) which summarised the main business items arising at the most recent meeting of the Audit Working Group on 21 November 2011, which were as follows:

Client Charging;
Internal Audit Report;
Pension Fund Fraud Risks;
Work Programme.

In relation to AWG13.27 (Pension Fund Fraud Risks) Mr Dyson tabled an additional report (a copy of which is attached to the minutes) which set out the Council's generic fraud risks identified in relation to the pension fund and pensions administration, together with details on how those risks were being managed.

Mr Dyson outlined the broad areas of control and stressed the importance of the Committee being satisfied that the risk of fraud in the Council's pension fund was being managed correctly. In response to a question from members, Mr Dyson confirmed that Oxfordshire's programme was in line with others and based on best practice.

RESOLVED: (nem con) to note the report.

43/13 FINAL STATEMENT OF ACCOUNTS 2012/13

(Agenda No. 8)

The Assistant Chief Executive & Chief Finance Officer introduced the final Statement of Accounts 2012/13 and Management Representation Letter 2012/13 to the Auditors. She highlighted key points and paid tribute to the work of her team and directorates.

The Chairman and Committee thanked all concerned for their work on the Accounts which had contributed to the excellent Audit Commission reports.

RESOLVED: (nem con) to:

- (i) approve the Statement of Accounts for 2012/13;
- (ii) approve the Letter of Representation 2012/13 for the Oxfordshire County Council accounts;
- (iii) approve the Letter of Representation 2012/13 for the Oxfordshire Pension Fund accounts.

44/13 ANNUAL AUDIT LETTER 2012/13

(Agenda No. 9)

The Committee considered the Ernst & Young Annual Audit Letter (AG9).

Ms Fetigan introduced the Letter and informed the Committee that there were no issues on the Financial Statements of the Authority and Pension Fund arising from the Audit. A final copy would be supplied.

Ms Grindley confirmed that Ernst & Young were very impressed with the Finance Team and the Working Papers.

RESOLVED: to receive the Annual Audit Letter.

45/13 ERNST & YOUNG EXTERNAL AUDITORS

(Agenda No. 10)

The Committee considered the Ernst & Young Annual Governance Reports for the Oxfordshire County Council and Oxfordshire Pension Fund (AG10).

Ms Fetigan informed the Committee that the overall message remained that the Authority had put together good papers and Accounts and that there were no outstanding items for the Committee's consideration. She commended the Council's excellent team and joint working.

In relation to the comments regarding internal Control, Mr Dyson confirmed that the team had put processes in place to ensure that the evidence trail would be clearer next year.

RESOLVED: to receive the reports (AG10 (a) and (b)), and thank the Ernst & Young representatives for their reports and work.

46/13 INTERNAL AUDIT 2013/14 - PROGRESS REPORT AND QUARTER 3 PLAN
(Agenda No. 11)

The Committee considered a report (AG11) which presented the Internal Audit progress report and Plan for quarter 3 2013-14. Mr Dyson introduced the paper and highlighted the key issues regarding investigations of theft and visa/immigration matches.

RESOLVED: to note the report and approve the Quarter 3 Plan.

47/13 COMMITTEE WORK PROGRAMME 2013/14
(Agenda No. 12)

The Committee considered its Work Programme (AG12).

RESOLVED: to adopt the Work Programme.

..... in the Chair

Date of signing 2013