

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 2 July 2014 commencing at 2.00 pm and finishing at 4.30 pm

Present:

Voting Members: Councillor David Wilmshurst – in the Chair

Councillor Sandy Lovatt
Councillor Jamila Azad
Councillor David Bartholomew
Councillor Tim Hallchurch MBE
Councillor Jenny Hannaby
Councillor Nick Hards
Councillor Roz Smith
Councillor Lawrie Stratford
Dr Geoff Jones

By Invitation: Alan Witty, Ernst & Young

Officers:

Whole of meeting Peter Clark, County Solicitor; Ian Dyson, Chief Internal Auditor; Sue Whitehead (Chief Executive's Office)

Part of meeting

Agenda Item	Officer Attending
7	Lewis Gosling (Treasury Management)
11	Stephanie Skivington (Corporate Finance)
12	David Illingworth, Senior Financial Adviser (Technical)
13	Richard Smith, OFRS

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.

29/14 ELECTION TO CHAIRMAN FOR THE CURRENT COUNCIL YEAR

(Agenda No. 1)

It was proposed, seconded and it was:

RESOLVED: That Councillor Wilmshurst be elected as Chairman for the Municipal Year 2014/15 to the first meeting of the Municipal Year in 2015/16.

30/14 ELECTION TO DEPUTY CHAIRMAN FOR THE CURRENT COUNCIL YEAR
(Agenda No. 2)

It was proposed, seconded and it was:

RESOLVED: That Councillor Lovatt be elected as Deputy Chairman for the Municipal Year 2014/15 to the first meeting of the Municipal Year in 2015/16.

31/14 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 3)

Apologies were received from Councillor Dhesi (Councillor Azad substituting).

32/14 MINUTES
(Agenda No. 5)

The Minutes of the meeting held on 23 April 2014 were approved and signed subject to the list of those attending being amended to show that Councillor Lovatt attended for part of the meeting.

It was agreed that consideration be given to moving the date of the July meeting in order to accommodate the preparation of the Statement of Accounts.

Responding to a question Peter Clark advised that he had raised the issue of the use of "Commercial" in the CHOICE values with the Chief Human Resources Officer and received a response. As the CHOICE values had been agreed at full Council there was no intention to change.

Ian Dyson advised that he would take away the Area Stewardship issue and action.

33/14 TREASURY MANAGEMENT OUTTURN 2013/14
(Agenda No. 7)

The Committee considered a report setting out the Treasury Management activity undertaken in the financial year 2013/14 in compliance with the CIPFA Code of Practice. The report included Debt and Investment activity, Prudential Indicator Outturn, changes in Strategy, and interest receivable and payable for the financial year.

Lewis Gosling and Lorna Baxter responded to individual queries from Members. In particular the Committee was advised of the approach to lending to Scottish Councils in the run up to the independence vote.

RESOLVED: to note the report, and to RECOMMEND Council to note the Council's Treasury Management Activity in 2013/14.

34/14 ANNUAL REPORT OF THE MONITORING OFFICER
(Agenda No. 8)

The Audit & Governance Committee is responsible for promoting standards of conduct for elected councillors and co-opted members. They had before them the

annual report of the Monitoring Officer that summarised relevant actions and issues that have occurred in the previous year 2013/14.

Peter Clark introduced the contents of the report and drew attention to the low number of meetings with closed sessions. A Councillor in agreeing that the number of closed sessions was low never the less commented that the Council could do more with regards to the public such as web casting.

Responding to a query on the nature of the complaints received Peter Clark advised they were not serious breaches. He added that whilst there was no Standards Committee he took a personal responsibility with regards to complaints and the number of complaints was and remained very low.

A Councillor queried whether the Guide to Candidates had been updated in line with recent developments and Peter Clark advised that he would check and that in any case when an election was announced all the material sent out was reviewed prior to it being sent.

There was some concern and discussion around the low number of scrutiny call ins and it was suggested that there was a training gap for members around awareness of the process and how best to use it including phrasing of the call in.

RESOLVED: having considered the report to endorse the annual report of the Monitoring Officer for 2013/14.

35/14 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR 2013/14 (Agenda No. 9)

The Committee had before them the annual report of the Chief Internal Audit, summarising the outcome of the Internal Audit work in 2013/14, and providing an opinion on the Council's System of Internal Control. The opinion is one of the sources of assurance for the Annual Governance Statement.

Ian Dyson, Chief Internal Auditor, introduced the contents of the report highlighting the overall opinion set out at paragraph 2.2 of the report that a reasonable assurance was provided regarding the effective, efficient and economic exercise of the Council's function.

During discussion of the internal audit performance figures Ian Dyson commented on the elapsed time between the issue of the draft report and final report which had slipped back. This did not mean that senior managers in the Directorate were not aware of issues raised as the report was often discussed with the relevant Deputy Director. It was noted that 86% of the Plan had been completed and Ian Dyson advised that more rigorous performance monitoring was being introduced to give greater visibility and control.

Responding to a question from a Member Ian Dyson and Peter Clark explained the background to the issues around encryption and egress.

There was some discussion on the increase in minor fraud and financial irregularity and the Committee was advised on the action being taken.

Councillor Bartholomew referred to the penultimate bullet point on page 81 of the agenda which related to procurement and the checking of task order values against SAP payments. He noted that there were schemes where the payments had exceeded the task order values and questioned the reasons for this. Ian Dyson undertook to respond to Councillor Bartholomew.

It was agreed that timescales for the Information Governance actions on page 65 of the agenda be circulated to members.

RESOLVED: to endorse the report.

36/14 REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

(Agenda No. 10)

The Committee considered a report that provided a commentary on the effectiveness of Internal Audit in 2013/14, and which will be used as a source of evidence for the Annual Governance Statement.

RESOLVED: to approve the Monitoring Officer's assessment of the effectiveness of the system of Internal Audit 2013/14.

37/14 STATEMENT OF ACCOUNTS 2013/14

(Agenda No. 11)

The Accounts and Audit Regulations 2011 require the Chief Finance Officer to sign the Statement of Accounts no later than 30 June, and certify that they give a true and fair view of the County Council's position. The Committee had before them a report presenting the accounts certified by the Chief Finance Officer, before the start of the public inspection period and the commencement of the audit. The Audit & Governance Committee will be asked to consider and approve the accounts at its meeting on 17 September 2014, when the findings of the audit are available.

Stephanie Skivington, Corporate Finance Manager, presented the contents of the report and highlighted the summary at Annex 2 of the report.

During discussion Members suggested that it would be helpful in future if the Accounts retained their internal numbering as set out on the contents page and it was also suggested that it would be useful to see a list of major grants.

Members commented that the Governance Statement was included in the papers for the meeting twice, both here and on the item and it was agreed that this be resolved for future agendas.

RESOLVED: to:

- (a) note the Statement of Accounts for 2013/14 to be submitted to the auditor; and
- (b) note the Summary Accounts 2013/14.

38/14 ANNUAL GOVERNANCE STATEMENT 2013/2014

(Agenda No. 12)

The County Council had approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. Corporate Governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions and lead and control their functions, to achieve their objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations. The Statement) before the Committee explained how the County Council had complied with the Code in 2013/14. The report satisfied the requirement to produce an Annual Governance Statement in the Accounts and Audit Regulations 2011.

The separate statement of assurance needed by the Fire and Rescue service is also mentioned. The Statement included an update on actions identified last year to be carried out during 2013/14 and new actions to be followed up in 2014/15.

During discussion Members noted the work in progress with regard to partnerships and it was agreed that the relevant web site addresses with regards to partnerships be included in the minutes.

RESOLVED: to approve the Annual Governance Statement 2013/14, 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.

39/14 FIRE & RESCUE SERVICE STATEMENT OF ASSURANCE 2013-14

(Agenda No. 13)

The Fire and Rescue National Framework for England (the Framework) sets out a requirement for fire and rescue authorities to provide an annual statement of assurance on financial, governance and operational matters and to show how they have due regard to the requirements of the Framework and the expectations set out in authorities' own integrated risk management plans. To demonstrate this, the Framework requires that each authority must publish an annual statement of assurance.

The Statement of Assurance 2013/14 document is intended to meet the obligation to produce this statement through reference to public webpages, existing reports and documents. The report was prepared following the Department for Communities and Local Government guidance on statements of assurance for fire and rescue authorities in England. The structure of the report was based on guidance contained in Chief Fire Officers Association (CFOA) Circular 2013-10 appendix - draft table of contents statement of assurance. The statement of assurance is intended to be published on the public website only, it is not intended to produce hard copy versions. The OCC Annual Governance Statement 2013/14 makes reference to the statement of assurance and provides a link to the web address.

Richard Smith, GM Organisational Assurance Manager, OFRS presented the report highlighting the response standard and the peer review challenge.

..... During discussion Members commented that it was an encouraging report and that the Fire & Rescue Service in Oxfordshire was a service to be proud of. Asked about the number of vehicles that would attend an incident Richard Smith advised that for each type of incident there is a pre-determined initial level of attendance. This is scaled back if not needed or increased where necessary. Members stressed the continuing importance of local members being notified where there was an incident in their area.

RESOLVED: to approve the Fire & Rescue Service Statement of Assurance 2013/14.

40/14 ERNST & YOUNG - PROGRESS REPORT
(Agenda No. 14)

The Committee considered the Oxfordshire County Council Progress Report July 2014, together with a Local Government Audit Briefing, including Key Questions.

During discussion the future of local audit services was raised and the Committee was updated with regard to the use of Auditor Panels in the appointment of external auditors. It was noted that the changes would not take effect until 2017 and it was agreed that the matter be added to the Work Programme for next year.

RESOLVED: to note the report and briefing note.

41/14 REPORT FROM THE AUDIT WORKING GROUP
(Agenda No. 15)

The report before the Committee summarised the matters arising at the meeting of the Audit Working Group on 20 June 2013.

RESOLVED: to:

- (a) note the report; and
- (b) to appoint the following members and named substitutes of the Audit Working Group:

Councillors Wilmshurst, Lovatt, Roz Smith
Named substitutes: Councillors Stratford, Hannaby

It was confirmed that all members of the Audit & Governance Committee were welcome to attend and participate.

..... in the Chair

Date of signing 2014