

These notes indicate the decisions taken at this meeting and the officers responsible for taking the agreed action. For background documentation please refer to the agenda and supporting papers available on the Council's web site ([www.oxfordshire.gov.uk](http://www.oxfordshire.gov.uk).)

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## AUDIT & GOVERNANCE COMMITTEE - WEDNESDAY, 13 JULY 2016

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<b>1. Election of Chairman for the 2016/17 Council Year</b>	<b>RESOLVED:</b> that Councillor Sandy Lovatt be elected Chairman of the Committee for the 2016/17 Council Year.	
<b>2. Election of Deputy Chairman for the 2016/17 Council Year</b>	<b>RESOLVED:</b> that Councillor David Wilmshurst be elected Deputy Chairman of the Committee for the 2016/17 Council Year.	
<b>3. Apologies for Absence and Temporary Appointments</b>	Apologies were received from Councillor John Tanner (Councillor Susanna Pressel substituting) and from Councillor Tim Hallchurch (Councillor Rodney Rose substituting).	
<b>4. Declaration of Interests - see guidance note</b>	In relation to Agenda Item 12, Councillor Roz Smith declared that she receives a pension from Oxfordshire Local Pension Fund.	
<b>5. Minutes</b>  To approve the minutes of the meeting held on 20 April 2016 ( <b>AG5</b> ) and to receive information arising from them.	The minutes of the meeting of 20 April 2016 were approved and signed subject to changing the final word on Page 11 "control" to "controls" in Minute 30/16.	
<b>6. Petitions and Public Address</b>	None.	
<b>7. Treasury Management Outturn 2015/16</b>  The report sets out the Treasury Management activity undertaken in the financial year 2015/16 in compliance with the CIPFA Code of Practice. The report includes Debt and Investment activity,		

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<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p>Prudential Indicator Outturn, Investment Strategy, and interest receivable and payable for the financial year.</p> <p><b>The Committee is RECOMMENDED</b></p> <p>(a) <i>to note the report, and</i>            (b) <i>to RECOMMEND Council to note the Council's Treasury Management Activity in 2015/16.</i></p>	<p>Recommendations agreed.</p>	<p>CFO (L. Gosling)</p>
<p><b>8. Annual Report of the Chief Internal Auditor</b></p> <p>This is the annual report of the Chief Internal Auditor, summarising the outcome of the Internal Audit work in 2015/16, 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.</p> <p><b>The committee is RECOMMENDED to:</b></p> <p>(a) <i>consider and endorse this annual report;</i>            (b) <i>approve the Internal Audit Charter included within Appendix 3 of this report;</i>            (c) <i>note the Quality Assurance and Improvement Programme included within Appendix 4 of this report.</i></p>	<p>Recommendations agreed subject to the additional point:            (d) monitor implementation of the improvement plan.</p>	<p>CIA (S. Cox)</p>
<p><b>9. Internal Audit Strategy and Internal Audit Annual Plan 2016/17</b></p> <p>This report presents the Internal Audit Strategy and Annual Internal Audit Plan for 2016/17.</p> <p><b>The committee is RECOMMENDED to:</b></p> <p>(a) <i>Approve the Internal Audit Strategy for 2016/17 and 2016/17</i></p>	<p>Recommendations agreed.</p>	<p>CFO (S. Cox)</p>

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## AUDIT & GOVERNANCE COMMITTEE - WEDNESDAY, 13 JULY 2016

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<p><i>Internal Audit Plan; and,</i> <b>(b) Approve the 2016/17 Counter-Fraud Plan.</b></p>		
<p><b>10. Financial Control Improvement Plan</b></p> <p>The Chief Financial Officer commissioned Internal Audit to undertake a review of the system of financial control following the implementation of the partnership with the Hampshire County Council's Integrated Business Centre (IBC), who deliver Finance and HR transactional operations on behalf of the Council. The internal audits and Senior Officers in Finance and HR have highlighted a number of areas of weakness in the OCC system of financial control. This report sets out the action plan to address the weaknesses and to provide efficient financial management systems, policies and procedures that will support the Council delivering effective services to our customers.</p> <p><b>The Committee is RECOMMENDED to:</b></p> <p><b>(a) agree the Improvement Plan;</b> <b>(b) receive progress reports and updates on effectiveness at all future committee meetings until further notice.</b></p>	<p>Recommendations agreed subject to the additional point: <b>(c) request the Audit Working Group to examine more detailed activities.</b></p>	<p>CFO (I.Dyson)</p>
<p><b>11. Update on Hampshire Partnership - HR Update</b></p> <p>This report focuses on the status of the HR Services after the first year of operation, includes an update of the issues reported outstanding in February and provides detail on other issues raised and actions taken for resolution since that date.</p> <p><b>The Committee is RECOMMENDED to</b></p> <p><b>(a) note the current position; and</b> <b>(b) agree that a further update be</b></p>	<p>Recommendations agreed.</p>	<p>CHRO (S. Currell)</p>

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## AUDIT & GOVERNANCE COMMITTEE - WEDNESDAY, 13 JULY 2016

<i>RECOMMENDATIONS FROM THE AGENDA</i>	<i>DECISIONS</i>	<i>ACTION</i>
<i>provided in 6 months.</i>		
<p><b>12. External Auditors</b></p> <p>A representative from the external auditors, Ernst &amp; Young will attend to present the following items:</p> <ul style="list-style-type: none"> <li>• Audit Fee Letter 2016/17 (A. Witty / P. King)</li> <li>• Oxfordshire Pension Fund Audit Plan</li> <li>• Audit and Governance Committee Progress Report</li> </ul> <p><b><i>The Committee is RECOMMENDED to note the reports.</i></b></p>	<p>Recommendations agreed.</p>	<p>Ernst &amp; Young (P. King / P. Irwin)</p>
<p><b>13. Risk Management and Assurance Policy and Framework</b></p> <p>The report seeks approval of the Risk Management and Assurance Policy and Framework. This has been updated to reflect not only good practice in risk management but also to include new requirements relating to assurance processes.</p> <p><b><i>The committee is RECOMMENDED to approve the Risk Management and Assurance Policy and Framework.</i></b></p>	<p>Recommendation agreed.</p>	<p>CFO (I. Dyson)</p>
<p><b>14. Changes to arrangements for appointment of External Auditors</b></p> <p>This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.</p> <p>The Council will need to consider the options available and put in place new arrangements in time to make a first</p>		

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## AUDIT & GOVERNANCE COMMITTEE - WEDNESDAY, 13 JULY 2016

RECOMMENDATIONS FROM THE AGENDA	DECISIONS	ACTION
<p>appointment by 31 December 2017.</p> <p><b>The Committee is RECOMMENDED to consider the options and agree an approach for the appointment of External Auditors:</b></p> <p>(a) <b>through a national Sector Led Body (i.e. Local Government Association);</b></p> <p>(b) <b>by establishing a stand-alone Auditor Panel to make the appointment on behalf of the Council; or</b></p> <p>(c) <b>commencing work on exploring the establishment of local joint procurement arrangements with neighbouring authorities.</b></p>	<p><b>RESOLVED</b> to explore the Sector Led Body option in more detail subject to a comparison of costs of the three options.</p>	<p>CFO (I. Dyson)</p>
<p><b>15. Audit Working Group report</b></p> <p>This report presents the matters considered by the Audit Working Group Meeting of 26 May 2016.</p> <p><b>The Committee is RECOMMENDED to note the report.</b></p>	<p>Recommendation agreed.</p>	<p>CFO (S. Cox)</p>
<p><b>16. Audit and Governance Committee Work Programme</b></p> <p>To review the Committee's Work Programme (AG15).</p>	<p>The Committee agreed the Committee's work programme for September, subject to the following three additions:</p> <p>Director of Transformation to report</p> <p>Update on the Financial Control Improvement Plan</p> <p>Report on phishing attack that targeted Councillors.</p>	<p>CLO (C. Ó Caomhánai gh)</p>