

AUDIT COMMITTEE

MINUTES of the meeting held on Wednesday, 21 April 2010 commencing at 11.00 am and finishing at 1.00pm

Present:

Voting Members: Councillor David Wilmshurst – in the Chair
Councillor Ray Jelf
Councillor Alan Armitage
Councillor Roy Darke
Councillor A.M. Lovatt
Councillor Larry Sanders
Councillor C.H. Shouler
Councillor Lawrie Stratford
Councillor Melinda Tilley (in place of Councillor Mathew)

**Non-voting
Co-optees:** Dr Geoff Jones

**Other Members in
Attendance:** Councillor Jim Couchman

By Invitation: Mary Fetigan, Audit Commission

Officers:

Whole of meeting Peter Clark, Ian Dyson, Paul Gerrish and Geoff Malcolm
(Corporate Core)

Part of meeting

Agenda Item	Officer Attending
11	Kathy Wilcox (Corporate Core)

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.

7/10 ELECTION OF CHAIRMAN FOR THE 2010/11 COUNCIL YEAR

(Agenda No. 1)

RESOLVED: (on a motion by Councillor Stratford, seconded by Councillor Tilley and carried nem. con.) that Councillor David Wilmshurst be elected to chair the Committee for the current Council Year.

8/10 ELECTION OF DEPUTY CHAIRMAN FOR THE 2010/11 COUNCIL YEAR

(Agenda No. 2)

RESOLVED: (on a motion by Councillor Wilmshurst, seconded by Councillor Stratford and carried nem. con.) that Councillor Jelf be elected as deputy Chairman for the current Council year.

9/10 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 3)

Apology from	Temporary Appointment
Councillor Charles Mathew	Councillor Melinda Tilley

10/10 MINUTES

(Agenda No. 5)

The Minutes of the meeting of the Committee held on 3 March 2010 (AU5) were approved and signed.

11/10 REPORT OF THE AUDIT WORKING GROUP - 8 APRIL 2010

(Agenda No. 7)

The Committee considered a report (AU7) on the following specific matters which had been considered by the Audit Working Group (AWG):

Deferred item: half year Internal Control Checklist (ICC) process – Children, Young People & Families Directorate

AWG4 Business Continuity and Major Incident Reporting

AWG5 Early Issues for the Annual Governance Statement (AGS) and Action Plan

The Committee asked the AWG to investigate the ICT budget overspend in 2009/10 with a view to seeking an assurance that processes to control the budget were in place for 2010/11 and to report to the Committee in June 2010.

AWG6 Review of the Effectiveness of Internal Audit

AWG7 Review of Safeguarding Children risk register

The Committee suggested that Meera Spillett, Director for Children, Young People & Families be invited to make an informal presentation to members.

AWG8 Risk Management Progress Report

AWG9 Internal Audit Quarter 4 Progress Report

AWG10 Counter-Fraud Action Plan Progress Report

AWG11 Whistleblowing Annual Report

AWG12 Work Plan

The Committee noted that the AWG meeting scheduled for 3 June 2010 had been moved to 9 June 2010.

RESOLVED: to note the report.

12/10 ANNUAL AUDIT & INSPECTION PLAN - AUDIT 2009/10

(Agenda No. 8)

Mary Fetigan, Audit Manager, Audit Commission introduced and presented the audit work that the Commission proposed to undertake for the 2009/10 financial year at Oxfordshire County Council and Oxfordshire Pension Fund and annual audit fees (AU8). She then responded to questions and comments including developing the relationship with the Council, the annual audit fee 2009/10 and the planned work on risk.

Mr. Gerrish, Head of Finance & Procurement circulated a note 'Annual Audit Fee Summary' (a copy of which is attached to the signed Minutes).

The Committee commented to the Audit Manager that it would be helpful if the Audit Commission could publish a combined scale fee for county councils with fire services.

RESOLVED: to note the Audit Commission's proposals.

13/10 REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2009/10

(Agenda No. 9)

The Committee considered the Monitoring Officer's commentary on the performance of the Internal Audit system throughout 2009/10 (AU9). Mr Clark introduced the paper and drew members' attention in particular to the methodology, findings and conclusion that the evidence justified an overall assessment of acceptable effectiveness with no significant weaknesses.

In response to a member's question, Mr. Dyson confirmed that a protocol was being developed between the Council and the Audit Commission.

The Committee noted that:

- 2 senior managers had not responded to the questionnaire. The Monitoring Officer undertook to convey to the 2 officers concerned the Committee's disappointment that the response was not complete;

- *The Audit Commission confirmed that they had reviewed the Council's Internal Audit arrangements against the required standards and raised only a few minor issues, one of which had already been actioned. The Commission would be reviewing work later in the year to establish the extent to which they could rely on the specific testing.**

**Amended at the meeting on 30 June 2010.*

RESOLVED: to approve the Monitoring Officer's assessment of the effectiveness of the system of Internal Audit 2009/10.

14/10 AUDIT PLAN 2010/11

(Agenda No. 10)

Mary Fetigan, Audit Manager, Audit Commission presented the audit work and the assessment & inspection work that the Commission proposed to undertake for the 2010/11 financial year at Oxfordshire County Council and annual audit fees (AU10). In response to a member's question she confirmed that the 'separate letter' mentioned on page 2 under the heading 'Total audit fee' referred to the letter at agenda item 8 above.

RESOLVED: to note the Audit Commission's proposals.

15/10 FINANCIAL MANAGEMENT ACTION PLAN

(Agenda No. 11)

The Committee considered a report (AU11) which summarised for review by the Committee the progress made so far with the Financial Action Management Plan (FMAP) and updated the position reported as at 23 September 2009.

Mr. Gerrish and Ms Wilcox introduced the paper, highlighted key issues and sought the Committee's views about future reporting. They confirmed the key role of training and support for budget holders. Members noted that some work had been carried out to improve reporting and that many managers were now using SAP for budget monitoring, but expressed concern at comments in the report about the user friendliness of the budget management tool on SAP.

RESOLVED: to

- (a) note the progress to date; and
- (b) request officers to report to the September 2010 meeting on the use of SAP for budget monitoring, reporting and forecasting, following which the Committee would consider the future of FMAP reporting to Committee.

16/10 WORK PROGRAMME UPDATE/REVIEW 2010/11

(Agenda No. 12)

The Committee updated and reviewed its Work Programme (AU12).

Under 'Other Matters' - Links with Scrutiny – the Chairman undertook to discuss with officers appropriate target Committee dates for this topic to be included in the Committee's Work Programme.

RESOLVED: to adopt the Work Programme subject to:

June 2010:

deletion of 'Interim Opinion Report';

addition of 'Letter to those Charged with Governance (request for assurances regarding Fraud & Regulation) (Audit Commission);

September 2010:

addition of: Response to the Letter shown at June 2010 above;

addition of:

Financial Management Action Plan – report on the use of SAP for budget monitoring, reporting and forecasting (Audit Committee 21 April 2010) (Sue Scane / Jo Stone);

the future of FMAP reporting (Audit Committee).

..... in the Chair

Date of signing