

## AUDIT COMMITTEE

**MINUTES** of the meeting held on Tuesday, 8 May 2012 commencing at 2.00 pm and finishing at 4.25 pm

**Present:**

**Voting Members:** Councillor David Wilmshurst – in the Chair

Councillor Charles Mathew (Deputy Chairman)  
Councillor Alan Armitage  
Councillor Tony Crabbe  
Councillor Roy Darke  
Councillor Sandy Lovatt  
Councillor Larry Sanders  
Councillor C.H. Shouler  
Councillor Lawrie Stratford

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

**Other Members in  
Attendance:** Councillor Jim Couchman, Cabinet Member for Finance & Property; Councillor Arash Fatemian, Cabinet Member for Adult Services (for Agenda Item 6)

**By Invitation:** Mary Fetigan and Chris Baston, Audit Commission

**Officers:**

Whole of meeting Peter Clark, County Solicitor & Monitoring Officer; Lorna Baxter, Deputy Chief Finance Officer; Ian Dyson, Chief Internal Auditor; Geoff Malcolm, Committee Officer

Part of meeting

**Agenda Item**                      **Officer Attending**  
6                                      John Morgan, Area Service Manager, North

*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.*

**17/12 MINUTES**  
(Agenda No. 3)

The Minutes of the meeting held on 29 February 2012 (AU3) were approved and signed.

**18/12 EXTERNAL AUDIT PROGRESS REPORT; AND LETTER TO THE CHAIRMAN ON THE AUDIT OF OXFORDSHIRE COUNTY COUNCIL & OXFORDSHIRE PENSION FUND FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2012**

(Agenda No. 5)

Ms. Fetigan and Mr. Baston presented the Audit Commission's External Audit Progress Report (April 2012) on the Oxfordshire County Council and Oxfordshire Pension Fund Audit 2011/12, and the Letter to the Chairman on the Audit of the County Council and Pension Fund Financial Statements for the year end 31 March 2012 (AU5).

The Progress Report highlighted the timeline of the audits and the progress to date, and outlined the Government response to consultation on the future of local public audit together with an update on the externalisation of the Audit Practice.

The Letter to the Chairman sought information on five areas which focused on how the Committee gained assurance from management.

**RESOLVED:** to receive and note the Progress Report, note that the Chairman would respond to the Letter following consultation with the relevant officers, and thank the Audit Commission and its representatives.

**19/12 AUDIT WORKING GROUP - 5 APRIL 2012**

(Agenda No. 6)

The Committee considered a report (AU6) which summarised the main business items arising at the most recent meeting of the Audit Working Group (AWG) on 5 April 2012, which were as follows:

Private session with the external auditors  
Personal Budgets\*  
Fairer Charging\*  
Internal Audit emerging issues  
Alert Service  
SAP roles  
Whistle blowing incidents annual report  
Annual Governance Statement actions  
AWG Work Programme

\* The Committee discussed two matters in the report - Personal Budgets and Fairer Charging - with Councillor Jim Couchman, Councillor Arash Fatemian and Mr. John Morgan. Members and officers recognised that these were long standing and complex issues.

At March 31<sup>st</sup> March 2012 2297 people were receiving Self Directed Support (SDS) of whom:

- 1016 were receiving a service managed through the council
- 702 were receiving a direct payment
- 210 were receiving a mixed package

## AG3(a)

- 369 were receiving a direct payment, but are not recorded as having transitioned to SDS

There remained some people who had yet to transition to self-directed support and a personal budget. Work was on-going to complete this.

In response to members' questions and comments concerning the current position in respect of Personal Budgets and Fairer Charging, Councillor Couchman and Councillor Fatemian confirmed that appropriate action had been taken to improve the overall position and that procedures and mechanisms were now in place. Cabinet and Cabinet members were being kept fully informed. Both matters were now showing improvement.

**RESOLVED:** to note the report and thank Councillor Couchman, Councillor Fatemian and Mr Morgan for their attendance and contribution to discussion.

## **20/12 TERMS OF REFERENCE AND COMPLAINTS PROCEDURE UNDER MEMBERS' CODE OF CONDUCT**

(Agenda No. 7)

The Committee considered a report (AU7) which proposed draft new terms of reference and the potential complaints procedure.

The Monitoring Officer gave a general introduction about the 'fresh start', including the national background and the proposals in the report. Under the Localism Act 2011, the current standards regime for local authorities was due to be repealed on 1 July 2012. On 20 March 2012 the Council had made some decisions as to the shape of future standards arrangements for Oxfordshire County Council under the Localism Act. These included the cessation of the Council's Standards Committee and a decision to transfer to the Audit Committee – as a newly-named Audit & Governance Committee – the responsibility for the overview of member standards. It was also agreed in principle that a member-officer working group be appointed to consider complaints under the new standards arrangements.

Following debate around issues which still awaited guidance (for example the Independent Member) Mr. Clark reported that any new information and/or developments between this (Audit) Committee meeting and Council would be reported to Council on 15 May 2012. It was unclear at this stage how the Independent Person would interact (if at all) with the Committee process.

The Committee asked about matters which affected members as individuals (i.e. dispensation, whether there would be an appeal process (-yes, to the Ombudsman), declaration of (non-pecuniary) interests, occasions when the new procedure would apply to their actions or conduct, and timeliness of the actions. Mr. Clark confirmed that the Code would be explicit, that there would be an early review of the new arrangements and that statistics would be included as part of Monitoring Officer reporting to Committee.

Members and officers were hopeful that councils in Oxfordshire would adopt a uniform Code, for ease of understanding and use across the county.

The Committee broadly supported the proposals and recognised that the detail of some aspects were awaited and that there was need for flexibility where appropriate in the process.

In the 'Arrangements' annex, paragraph 4, fourth paragraph, the second word 'you' was corrected to 'your'.

**RESOLVED:** to note the report and, subject to minor textual corrections, the proposed terms of reference and arrangements for considering complaints as outlined in Annexes 1 and 2 respectively.

## **21/12 REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2011/12**

(Agenda No. 8)

Mr Clark, Monitoring Officer reminded members that in January 2012 the Committee had agreed the process for undertaking the annual review of the effectiveness of the system of Internal Audit and had requested him to undertake the review which was a requirement of regulations.

The Committee considered a report (AU8) which complied with the request and provided a commentary on the performance of the Internal Audit system throughout 2011/12. Under paragraph 10 '2.3.1' concerning compliance with the CIPFA Code of Practice, he confirmed that Ms Baxter, Deputy Chief Finance Officer was a member of the County Council Management Team.

The Committee considered that this had been a very useful exercise, and was pleased with the 100% response to the survey and with the Role of the Chief Internal Auditor and team.

**RESOLVED:** to approve the Monitoring Officer's assessment of the effectiveness of the system of Internal Audit 2011/12.

## **22/12 INTERNAL AUDIT 2011/12 PROGRESS REPORT AND 2012/13 QUARTER 1 PLAN**

(Agenda No. 9)

The Committee considered a report (AU9) which, together with a supplementary report presented the Internal Audit progress report on the 2011/12 planned activity, and the 2012/13 Quarter 1 Plan & Counter-fraud Plan for approval. In response to members' questions officers confirmed that the supplementary report for this item had been published on 4 May 2012; that the full data was available on the Intranet; and that six outstanding audits would be completed by 18 May 2012.

**RESOLVED** to:

- (a) note the report; and
- (b) approve the Quarter Plan and the Counter-fraud Plan.

**23/12** **AUDIT COMMITTEE WORK PROGRAMME - REVIEW/UPDATE**

(Agenda No. 10)

The Committee reviewed its Work Programme (AU10).

**RESOLVED:** to approve the Work Programme 2012/13.

**NOTE**

As this was the final meeting of the Committee in the current Council Year the Chairman thanked members and officers for their work and contribution to the Committee.

The Committee thanked Councillor David Wilmshurst in his role of Chairman over the year.

..... in the Chair

Date of signing