

Minutes

of a meeting of the



Audit and Corporate Governance Committee

held AT 6.00PM on 26 JUNE 2007

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene¹ (Chairman)

Ms F Aska, Ms J Bland, Mrs J Carr, Mrs S Cooper (as substitute for Ms A Purse) Mr P Cross, Mrs M Davies, Mr P Harrison, Mr C Hood², Mrs J Murphy (as substitute for Mr F Bloomfield), Mr R Peasgood, Mr D Turner (as substitute for Mr D Bretherton)

Apologies:

Mr F Bloomfield, Mr D Bretherton and Ms A Purse tendered apologies.
Ms A Ockleston, Audit Commission, also tendered an apology.

Officers:

Ms A Brander, Mr D Buckle, Mr S Corrigan, Mrs K Fiander, Mr W Jacobs,
Mr H Oliver, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance

1. Election of Chairman for the 2007/08 municipal year

The Committee elected Mr P Greene as Chairman for the 2007/08 municipal year.

2. Election of Vice Chairman for the 2007/08 municipal year

The Committee elected Mr P Cross as Vice-Chairman for the 2007/08 municipal year.

3. Declarations of interest

None

4. Minutes 12 March 2007 and 11 April 2007

RESOLVED: to approve the minutes of the meetings dated 12 March 2007 and 11 April 2007 including the exempt minute dated 12 March 2007 and agree that the Chairman sign them.

5. Committee training

Mr P Greene, Chairman, reminded the Committee of the Chartered Institute of Public Finance and Accountancy (CIPFA) training arranged for 21 August and referred to the Statement on Internal Control which highlighted the need for such training. In addition he hoped that the Committee would receive the risk management and business continuity training scheduled to take place in July.

6. Internal audit report

The Committee considered the report of the Head of Finance summarising the outcome of recent internal audit activity.

Mr I R Mann, Cabinet member for finance, Mr W Jacobs, Head of Finance, Mr H Oliver, Senior Auditor, and Mr S Corrigan, Democratic Services Manager, responded to comments and answered questions concerning the councillors' allowances and expenses audit 2006/07 as follows:

- **Concerning the need to produce petrol receipts when submitting mileage claims, officers would clarify with the Inland Revenue whether photocopies of receipts would be acceptable in order to aid self-employed people who needed original receipts for business related matters.**
- **In relation to the instance where a mileage claim did not appear reasonable, assurance was given that there was no indication of fraud whatsoever.**
- **Processes were in place to check mileage claims with councillors if claims appeared disproportionate. However, councillors should use the most suitable route when travelling between home and the council offices notwithstanding that some journeys could be shorter if councillors used difficult to negotiate yet shorter cross-country routes.**
- **Whilst not identifying any serious concerns, the audit was an essential exercise. Had it not been undertaken, officers would not**

have known there were no serious concerns so in terms of audit time this was not disproportionate to the outcome.

- **A monthly check of a sample of mileage claims would be an ongoing exercise.**

The Committee agreed to receive a further update in October 2007.

7. Audit and inspection plan 2007/08

Mr W Jacobs, the Head of Finance, advised that this item would also appear on the agenda for the Committee's September meeting in order to allow the Audit Commission to respond to the Committee's comments and questions.

Mr D Buckle, Chief Executive and Mr W Jacobs, Head of Finance, responded to the Committee's comments and questions as follows:

- One way of reducing Audit Commission fees was through passing on the cost of the revenue and benefits audit to the contractor, in this case Capita. The cost of this audit could be in the region of £20,000 to £30,000.
- At the September meeting of the Committee, councillors should take the opportunity to refer the Audit Commission to the Oxfordshire NHS Trust's document, produced in conjunction with the Department of Health, which addressed issues of health inequality as referred to in paragraph 17 of the Audit Commission's report.
- Although the Audit Commission did not operate in a competitive market because it worked on behalf of government, the Council would challenge fees. There was opportunity to reduce the cost of fees through the shared working arrangements of the Vale of White Horse District Council and South Oxfordshire District Council.
- The Council had limited choice in terms of auditors. However, in the event that the Council was dissatisfied with the current auditors, then there was scope to appoint a different auditor. However, the fees of private sector auditors such as KPMG would not be dissimilar to those of the Audit Commission.

8. Statement of Accounts for 2006/07

The Committee considered the report of the Head of Finance which stated that Regulation 10 of the Accounts and Audit Regulations 2003 required Council or a Committee of the Council to consider the Statement of Accounts by 30 June 2007. This responsibility was delegated to the Audit and Corporate Governance Committee.

Amended pages 27 and 28 of the Statement of Accounts were distributed to the Committee.

Committee members commented as follows:

- The draft Statement on Internal Control was approved by the Audit and Corporate Governance Committee on 11 April 2007 not 31 May 2007 as stated in the document.
- Reference to “chair” throughout the document should be amended to “chairman”.

Mr I R Mann, Cabinet member for finance, Mr W Jacobs, Head of Finance and Mrs N Thomas, Senior Accountant, responded to the Committee’s comments and questions as follows:

- The figures presented within the accounts relating to the collection of council tax were correct but any issues concerning council tax levies could be taken up by a scrutiny committee.
- Following the meeting, officers would provide feedback on how monitoring of expenditure on capital projects took place.
- In considering the pension liability provision, the current position was best established through assessment of the actuarial valuation compared with performance.
- The committees of the Vale of White Horse District Council and South Oxfordshire District Council would consider the respective council’s internal audit reports.
- There were efficiencies in having the joint team of six people within the internal audit team shared between the Vale of White Horse District Council and South Oxfordshire District Council. For instance, as the councils shared revenue and benefits services with Capita, only one audit was needed.
- In terms of the annual variation in figures relating to the level of the National Non Domestic Rates, this was not because rates charged were higher in any one year but was attributable to the way government distributed grants amongst local authorities.
- Officers would refer to previous reports and clarify the position concerning the final sentence of paragraph 2.2 of page 30 of the accounts relating to early retirements agreed in March 2007.

RESOLVED: to approve the Statement of Accounts 2006/07.

9. Appointment of a complaints panel

The Committee’s terms of reference included the consideration of complaints under the Council’s complaints procedure.

A complaint had been received requiring consideration by a panel.

RESOLVED: to

1. appoint a complaints sub-committee comprising any three members of the Audit and Corporate Governance Committee
2. appoint each member of the committee to serve on the sub-committee which is convened so as to include her or him in its membership
3. agree that the sub-committee is known as the Complaints Panel
4. authorise each panel to discharge all functions relating to complaints
5. agree that wherever possible a complaint is heard by a panel comprising the chairman of the committee plus two other members of the committee, but that this should not affect the principle that any three members of the committee will constitute a properly appointed panel
6. authorise the Head of Legal and Democratic Services to invite an appropriate panel to conduct a complaint hearing having regard to members' availability and eligibility
7. authorise the Head of Legal and Democratic Services to check the availability and eligibility of those councillors expressing a willingness to deal with the complaint and convene a panel for the hearing.

The meeting closed at 7.20pm.

Chairman Date

¹ Elected Chairman at item 1.

² Present from item 6.