

Minutes

of a meeting of the



Audit and Corporate Governance Committee

held AT 6.00PM on 5 MARCH 2008

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)

Ms F Aska, Ms J Bland, Mr D Bretherton, Mrs J Carr, Mr P Cross, Mrs M Davies, Mr C Hood, Mrs J Murphy (as substitute for Mr R Peasgood)

Apologies:

Mr R Peasgood tendered an apology

Officers:

Mr D Buckle, Mr G Bushell, Mr A Down, Mrs K Fiander, Mr S Hewings, Mr W Jacobs, Miss A Penn, Mr M Prosser, Mrs M Reed

Also present:

Mr I R Mann, Cabinet member for finance; Ms M Grindley, District Auditor and Ms A Ockleston, Audit Manager, Audit Commission

26. Minutes 5 December 2007

RESOLVED: to approve the minutes of the meeting dated 5 December 2007 and agree that the Chairman sign them.

27. Training for Audit and Corporate Governance Committee

The chairman referred to training for the committee and the need for a sufficient number of committee members to attend for it to take place.

The committee agreed that two shorter sessions would be preferable and that these should take place later in the day at future dates yet to be decided upon.

28. Financial management systems issues

The committee considered the report of the strategic director. The recovery plan, containing 10 key milestones and 300 tasks, was due for completion by the end of the financial year. Direct responsibility for project management lay with the strategic director at the Vale of White Horse District Council with joint working between the authorities and Capita to achieve the recovery plan. At present, achievement of the key critical issues within the recovery plan was on target.

The committee noted the report.

29. Audit and Inspection Plan 2008/09

The chairman advised that he had agreed to add this item to the agenda after initial publication of the agenda. He had agreed to take this item as a matter of urgency to allow the committee to approve the Audit and Inspection Plan 2008/09 prior to its implementation by the Audit Commission from 1 April 2008.

The committee considered the report of the strategic director that gave an overview of the process for agreement of the Audit and Inspection Plan as provided by the Audit Commission. In the report he referred to the proposed fees, which approximated to a 12 per cent increase.

Ms M Grindley, District Auditor, outlined Audit Commission responsibilities and its role in undertaking audit work. She reiterated that the Audit Commission was consulting on fees. It had received strident feedback from a number of councils including this one and was subsequently reconsidering the fees, which were likely to reduce from the initial proposals. Such a reduction in proposed fees would come through a cyclical and risk based approach to the use of resources.

Mr D Buckle, Chief Executive, commented on the position of district councils, which would be particularly affected by any such increase in fees. District councils had subsequently lobbied the Audit Commission on the fees and he was pleased to receive assurance that the fees were likely to be lower.

Having received assurances on the likelihood of a reduction in the fees, the committee agreed the recommendations in order to allow the Audit Commission to implement its Audit and Inspection Plan 2008/09.

RESOLVED: to

1. approve the draft Audit and Inspection Plan 2008/09, as attached to the report of the strategic director to the Audit and Corporate Governance Committee on 5 March 2008, subject to the agreement of suitable fees.

2. authorise the strategic director responsible for finance and the head of finance, in consultation with the chairman, to approve the fees and any resulting minor amendments to the plan.

30. Closedown of 2007/08 accounts and preparation of the financial statements

The committee considered the report of the head of finance, which set out the processes proposed for the preparation and review of the 2007/08 financial statements and highlighted the risks inherent in the process. In its Annual Governance Report, considered by the committee in December 2007, the Audit Commission had made recommendations in relation to the closedown of accounts, which had resulted in this report to the committee.

The committee noted the report.

31. Risk management update

The committee considered the report of the head of business and information systems that provided the committee with a demonstration of the way in which the council had managed risks in the last year.

The graphs within the report showed effective management of operational risks with many risks being eliminated or decreasing over the year and with fewer new risks becoming apparent. Strategic risks would be reviewed in coming months once the new Corporate Plan, Sustainable Development Strategy and the Local Area Agreement had been agreed. Strategic risk workshops would then take place. As a result of the workshops, details of the proposed actions would be presented to the committee in June 2008.

The committee noted the report.

32. Internal audit management report quarter 4

The committee considered the report of the internal audit manager that provided information on management issues, summarised progress of internal audit against the 2007/08 audit plan and summarised the priorities and planned audit work for the remainder of quarter four 2007/08. The report included a protocol for reporting internal audit issues to the committee including discussions with the chairman in

between meetings of the committee particularly where decisions were subject to time restrictions.

Ms A Penn, Internal Audit Manager, pointed out that whilst there had been significant absence within the team this would not affect the ability to provide the annual report to the committee in June.

The committee noted the report.

33. Internal audit activity report 2007/2008

The committee considered the report of the internal audit manager that summarised the outcomes of recent internal audit activity,

Ms A Penn, Internal Audit Manager, reported that since the last meeting of the committee, audits on council tax, Didcot Wave and Didcot Leisure Centre, bank reconciliation and waste management had been completed. The committee congratulated Clare Kingston, Head of Environmental Services, and Sally Wilson, Waste Services Manager, and their team on achievement of a *full* assurance rating on the waste management audit.

Mr S Hewings, Chief Accountant, attended to comment on the bank reconciliation audit, which had received a *limited* assurance rating. He advised that since the audit was completed bank reconciliation activity was now up to date. In turn, bank reconciliation was part of the financial management system recovery plan referred to earlier in the meeting. Capita had agreed to weekly meetings on bank reconciliation in relation to year-end. The Cabinet member for finance emphasised the importance of bank reconciliation and that he would not allow any slack in implementing recommendations.

The committee noted the report.

34. Internal Audit Annual Plan 2008/2009

The committee considered the report of the internal audit manager that sought approval of the Internal Audit Annual Plan 2008/09. The report also explained the process for setting the internal audit plan and for calculating resources available.

Ms M Grindley, District Auditor, advised that the Audit Commission had worked closely with internal audit, which provided assurances to the Audit Commission and helped reduce the extent of external audit work.

RESOLVED: to approve the Internal Audit Annual Plan 2008/09.

35. Annual Governance Statement – sources of assurances

The committee considered the report of the head of legal and democratic services **that explained the committee's role in approving the Annual Governance Statement and outlined the key sources of assurance that ensure good governance and thus underpin the Annual Governance Statement.**

The committee noted the report.

36. Annual Governance Statement – framework for the statement

The committee considered the report of the head of legal and democratic services that provided a framework for the Annual Governance **Statement which the committee would consider for approval in June 2008.**

The committee noted the report.

37. Local Code Of Governance

The committee considered the report of the head of legal and democratic services that asked the committee to approve the **Local Code Of Governance for inclusion in the Constitution with effect from 1 April 2008.**

Responding to a question Ms M Grindley, District Auditor, advised that it was good practice to have a governance code but she had not undertaken audits to determine which authorities had a governance code and which did not, so the extent of adoption of governance codes by local authorities was not known.

Mrs K Fiander, Democratic Services Officer, confirmed that the word *executive* would be changed to *Cabinet* within the document. She confirmed that a key difference in the new code was the area of partnership working. In addition the current and new versions of the governance codes would be compared to establish areas where further assurances would be required.

RESOLVED: to approve the Local Code Of Governance, as attached to the report of the head of legal and democratic services to Audit and Corporate Governance Committee on 5 March 2008, for inclusion in the Constitution with effect from 1 April 2008.

The meeting closed at 6.45pm.

Chairman Date