

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 14 DECEMBER 2010

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)
Mr P Cross, Mr P Harrison, Ms A Purse

Apologies:

Mrs F Aska and Ms E Hodgkin tendered apologies.

Officers:

Mr S Bishop, Mrs K Fiander, Mr S Hewings, Mr P Howden, Mr W Jacobs,
Ms M Slater, Mrs N Thomas

Also present:

Mr I R Mann, Cabinet member for finance
Mrs A Ockleston, Audit Manager, Audit Commission
Mr D Keen, Capita Benefits Manager, Capita

25. Minutes, 28 September 2010

RESOLVED: to approve the minutes of the meeting held on 28 September 2010, and the confidential minute of that date, as a correct record and to agree that the Chairman sign them.

26. Scrutiny of the Treasury Management mid year report

The committee considered the report of the Head of Finance that asked the committee to scrutinise the Treasury Management mid year report to ensure that the treasury activities had been carried out in accordance with the Treasury Management strategy and policy.

Mr S Hewings, Chief Accountant, introduced the report drawing attention to: the council's performance that exceeded the benchmark; risk exposure that was below benchmark; and the fact that the council did not need to borrow money for cashflow purposes.

Mr I R Mann, Cabinet member for finance; Mr W Jacobs, Head of Finance; Mr S Hewings, Chief Accountant and Mrs N Thomas, Principal Technical Accountant, responded to questions and comments as follows:

- There was no concern that a conflict of interest existed in using Sector, formerly Butlers, which was part of the Capita group that provided financial services to the council.
- Whilst the council invested 81 per cent of the total investment portfolio in cash deposits, this was in accordance with its strategy. Mr I R Mann suggested that if councillors felt that this was a risk they should debate the matter at full council when it would consider the strategy in February 2011. Mr W Jacobs added that the Treasury Management strategy had not changed much in ten years or so. In that time the council had earned £57 million in interest with a loss of £2 million as a result of the Icelandic bank collapse. This loss was small given that the council would only have earned approximately £30 million in interest had it invested in safer deposits.
- The better than anticipated receipt from the failed Icelandic bank, Kaupthing Singer and Friedlander, was mainly because the administrators had taken time to realise assets resulting in higher than expected sale values.

The committee congratulated the Finance team for its performance on the Treasury Management function.

The committee noted the report.

25. Annual audit letter and final use of resources report

Mrs A Ockleston, Audit Manager, presented the Audit Commission's audit letter and final use of resources report, which contained a positive report and a summary of the work on the 2009/10 accounts. She explained that there was no use of resources (UoR) score as in previous years as the Government had ceased UoR assessment. However, the work undertaken before UoR ceased still informed the *value for money* conclusion. Whilst the report provided some information about future assessment, she would bring a further report to the March meeting of the committee.

In response to a question concerning the level of future fees, Mrs Ockleston advised that the Audit Commission had a consultation document available concerning rebates for 2010/11 and she expected considerable fee reductions in 2011/12. Mr Jacobs would ascertain how much the council had received in rebate from the Audit Commission.

The committee congratulated Mr Hewings on the efforts that resulted in this positive report.

26. Internal audit activity report quarter 3 2010/11

The committee considered the report of the Head of Finance that summarised the outcomes of recent internal audit activity for the committee to consider. The committee was asked to review the report and the main issues arising, and seek assurance that action had been or would be taken where necessary.

The committee commented on the following audits reports.

PAYROLL

Responding to a question concerning section 15 on pages 6-23 and 6-24 of the report, Mr W Jacobs, Head of Finance, advised that finance had inherited a poor contract between the council and Capita because the payroll contract did not have sufficient detail. It was therefore difficult to know where responsibilities lay. Mr Jacobs was trying to develop an appropriate service level agreement with Capita. He would provide an update to the March meeting of the committee.

In relation to the actions that were due by 31 December 2010, Mr Jacobs would obtain an update on progress and report directly to the committee.

HOUSING AND COUNCIL TAX BENEFITS OVERPAYMENT AND RECOVERY 2010/11

Mr D Keen, Capita Benefits Manager, explained why he did not agree with the auditor's opinion that Capita had not allocated sufficient resources to the recovery process. Capita had an incentive to recover overpayments so it was in the business's interest to allocate sufficient resources, which he believed he had done as the process was working.

In response to a request to know the current amount of overpayments outstanding, Mr I R Mann, Cabinet member for finance, suggested that the committee should see the minutes of the Ridgeway Shared Services Partnership meetings that set out this information. The minutes would give the committee assurances on the activities taking place to recover overpayments.

The committee agreed to consider the minutes of the Ridgeway Shared Services Partnership to ensure work is being adequately implemented on overpayments.

27. Internal audit management report quarter 3 2010/11

The committee considered the report of the Head of Finance that set out management issues, summarised the progress of the internal audit team against the 2010/11 audit plan up to 29 November 2010 and summarised the priorities and planned audit work for the remainder of quarter 4 2010/11.

Ms M Slater, Auditor, summarised the key points of her report and confirmed that priority one audits should be completed in accordance with the annual plan.

Concerning internal audit priorities for January to March 2011, a request was made for an update on brown bins. Mr S Bishop, Strategic Director, explained that several attempts had been made to contact customers who had not paid for the brown bins. The next course of action would be to retrieve the bins that no-one was paying for but only after a sticker had been placed on the bin to alert the user that this would happen. A decision would then need to be made about when to take the bins back. The project was unlikely to finish before the election in May 2011. Any debts dating from before April 2008 had been written off as there was no legal basis on which the council could recover the cost. This amount was less than £10,000. The amount of debt was previously £140,000 but had decreased.

Mr Bishop further explained that Finance had not been consulted when the payment collection system was initially set up, although they should have been. There were now procedure manuals to prevent this happening again. The council was

negotiating with Verdant to take over the database which would prevent manual reconciliation of two databases.

The committee thanked Ms Slater for her work within the audit team and wished her well in her new role within the HR team.

28. International Financial Reporting Standards

The committee considered the report of the Head of Finance that provided an update on the implications of the introduction of the International Financial Reporting Standards (IFRS). He redistributed appendices B and D, which contained minor differences from those originally distributed.

In response to questions Mr S Hewings, Chief Accountant, stated:

- that the council would have had to purchase a new accounting system even if the IFRS had not been implemented.
- Verdant's waste collection vehicles were not for the council's sole use so the council did not need to include them on its balance sheet.
- that he did not think that IFRS would result in the amount of work initially expected from its introduction.
- that he did not think that the position on asset write-offs would change although the components of any asset might need to be redefined.

The meeting closed at 7.00pm.

Chairman

Date