

Minutes

OF A MEETING OF THE



Listening Learning Leading

Audit and Corporate Governance Committee

HELD ON TUESDAY 17 MARCH 2015 AT 6.00 PM

**BLACKSTONE ROOM, MANOR HOUSE, HOWBERY PARK, CROWMARSH
GIFFORD**

Present:

Kristina Crabbe (Chairman)

Philip Cross, David Bretherton, John Cotton, Margaret Davies, Neville F Harris and Paul Harrison

Officers:

Sandy Bayley, Steve Bishop, Liz Fay, Mark Gibbons, Sophie Horsley, Fiona Kaluza, Adrianna Partridge and Ron Schrieber

Also present:

Phil Burrell, Capita and Mick West, Audit Manager, Ernst and Young

28 Mike Welply

The committee observed a minute's silence in memory of Mike Welply, a former Chairman of South Oxfordshire District Council and member of this committee.

29 Declaration of disclosable pecuniary interest

None.

30 Minutes of the previous meeting

RESOLVED: to approve the minutes of the meetings held on 29 September 2014 and 20 January 2015 as a correct record and to agree that the Chairman sign them as such.

31 Internal audit activity report quarter four 2014/15

The committee considered the audit manager's report on internal audit activity during the fourth quarter of 2014/15. This summarised the outcomes of recent audit activity. Six audits had been completed during the quarter, together with two follow-up reviews. Appendix 2 to the report summarised all overdue recommendations within each service area.

With regard to the internal audit review of procedures, controls and the management of risk in relation to payroll, officers reported that all the recommendations had been implemented except for recommendation 7 where the overtime form had been amended but not yet rolled out to all departments.

The committee considered the audit manager's report on internal audit activity during the fourth quarter of 2014/15. This summarised the outcomes of recent audit activity.

In response to a member's question, the committee was informed that, given the number of transactions, there were very few errors and that any mistakes were resolved almost immediately.

With regard to the internal audit review of procedures, controls and the management of risk in relation to section 106 planning agreements, commuted sums and the community infrastructure levy 2013/14 – 2014/15, officers reported that five of the eight recommendations had been implemented.

In response to members' questions, the committee was informed that:

- The role of the S106 monitoring officer was currently being undertaken by two temporary officers but that a permanent, full-time appointment had been made.
- A variety of resources were used to train staff including workshops as and when new policy documents were issued.
- S106 monitoring reports were submitted to Scrutiny Committee as well as to Cabinet. In addition, updated information was posted on the council's internet/intranet.

The committee noted the report.

32 Internal audit management report quarter four 2014/15

The committee considered the audit manager's report on management issues within the internal audit service during the fourth quarter of 2014/15.

The report also detailed the priorities for the first quarter of 2015/16 which included undertaking a full review of the business continuity response to the fire at the Crowmarsh Gifford offices.

The committee noted the report.

33 Internal audit annual plan 2015/16

The committee considered the audit manager's report which explained the process for setting the internal audit plan and for calculating the resources available and which set out the proposed internal audit plan for 2015/16.

In response to members' questions, the committee was informed that:

- Whilst no separate internal audit was planned in relation to S106 in 2015/16, the subject would come up as part of the follow up process for current audits. The community infrastructure levy would be audited as and when the changes came into effect.
- Although there were economies of scale in auditing South Oxfordshire and Vale of White Horse District Council's services, the councils were separate legal entities requiring separate audit investigations and reports.
- The audit of an activity could involve a number of services e.g. legal, finance etc. This would be determined when the terms of reference were drawn up.

A member suggested that services being audited should record the amount of officer time allocated to this activity.

RESOLVED: that the internal audit plan 2015/16 be approved.

34 Certification of claims and returns annual report 2013/14

The committee considered Ernst & Young's report summarising the results of their work on the council's 2013-14 claims.

One housing benefits subsidy claim had been certified resulting in a reduction of the subsidy reclaimed of £5,948 compared with transactions of approximately £30m. The Strategic Director agreed to inform committee members as to whether the certified claim related to an under or overpayment and whether the amount was recoverable.

The committee noted the report.

35 2014/15 Audit Plan

The committee considered Ernst & Young's audit plan 2014/15 which set out how they intended to carry out their responsibilities as the council's external auditor.

No significant financial statement risks had been identified other than the general risk of management override. In addition, the risk of loss of supporting documentation following the fire at the Crowmarsh Gifford offices had been included. However, the indications were that significant financial data was stored electronically.

The committee noted the audit plan.

The meeting closed at 7.05 pm

Chairman

Date