

# Minutes

OF A MEETING OF THE



Listening Learning Leading

## **Audit and Corporate Governance Committee**

**HELD ON MONDAY 29 SEPTEMBER 2014 AT 6.00 PM  
COUNCIL CHAMBER, COUNCIL OFFICES, CROWMARSH GIFFORD**

### **Present:**

Kristina Crabbe (Chairman)

Philip Cross, David Bretherton, Margaret Davies, Neville F Harris, Paul Harrison and Michael Welply

**Officers:** Steve Culliford, William Jacobs, Mr Simon Hewings and Adrianna Partridge

**Also present:** Mick West and Adam Swain (Ernst & Young)

### **9 Apologies for absence**

Councillors John Cotton and David Dodds (Cabinet member for finance) had both sent their apologies for absence.

### **10 Declaration of disclosable pecuniary interest**

None.

### **11 Minutes of the previous meeting**

**RESOLVED:** to approve the minutes of the meeting held on 1 July 2014 as a correct record and to agree that the Chairman sign them as such.

### **12 Comments and complaints 2013/14**

The committee considered the chief executive's report on comments on complaints received during 2013/14 and proposed changes to the corporate complaints system.

The committee noted that the level of complaints received during the year was unchanged from the previous year as had complaints to the ombudsman, but this was much lower than the average amongst principal councils in Oxfordshire.

**RESOLVED:** to note the comments and complaints report 2013/14.

### **13 Treasury management outturn 2013/14**

The committee considered the head of finance's report which monitored the treasury management activities for the financial year 2013/14. This showed that investment income was £286,000 over the estimated income for the year. The committee welcomed this strong performance, noting that the council had a wide selection of investments in its portfolio.

**RESOLVED:** to

- (a) note the treasury management outturn report 2013/14; and
- (b) advise Cabinet that the Committee is satisfied that the treasury activities in 2013/14 have been carried out in accordance with the treasury management strategy and policy.

### **14 Internal audit activity report**

The committee considered the audit manager's report on internal audit activity during the second quarter 2014/15. This summarised the outcomes of recent audit activity. Five audits had been completed during the quarter, together with three follow-up audits.

#### **Anti-fraud and corruption arrangements 2014/15**

The committee noted that this audit had received limited assurance from internal audit. However, the service manager had agreed to each recommendation made by the internal auditor, although the timescales for some actions had not yet been determined. In answer to questions from councillors, applicants for posts where there were fraud risks were vetted through the application process and with police checks where appropriate. Internal audit took an active approach to anti-fraud testing with random system checks. The council's contractors were subject to the same arrangements and random checks. There was also a programme of staff training in anti-fraud and corruption policies and procedures for whistleblowing. The committee asked that councillors were also trained in these policies.

#### **Outstanding recommendations from past audit reports**

The committee recalled that at its last meeting it had asked the interim audit manager to produce for each committee meeting a report showing outstanding recommendations from previous audits. However, the audit manager reported that the spreadsheet method previously used to produce this report was labour-intensive. The audit manager proposed using a more efficient web-based report for all councillors that would allow them to investigate individual recommendations through a database. This was being designed by in-house IT staff and would be available for the next committee meeting. Councillor Paul Harrison offered to test the system.

**RESOLVED:** to note the internal audit activity report for the second quarter 2014/15.

## **15 Internal audit management report**

The committee considered the audit manager's management report on internal audit for the second quarter 2014/15. The committee noted that a vacancy existed for an auditor and Mr Pullen had been appointed as interim cover.

**RESOLVED:** to note the internal audit management report for the second quarter 2014/15.

## **16 External auditor's annual governance report**

The committee considered the audit results report for 2013/14 from the external auditor, Ernst & Young. Mick West, who had conducted the audit, reported that he had found no indications of fraud, was satisfied with the level of provision set aside for appeals by non-domestic ratepayers, and was satisfied that the figures in the asset register were accurate. Overall, the auditor gave the council an unqualified opinion on the council's financial statements.

**RESOLVED:** to note the audit results report from the external auditor.

## **17 Statement of accounts 2013/14**

The committee considered the statement of accounts 2013/14. This set out the financial statements required to meet the international financial reporting standards, guidance from the external auditor, and guidance from the Chartered Institute of Public Finance and Accountancy.

Councillors noted that the external auditor, Ernst & Young, had given an unqualified opinion on the accounts; the committee welcomed this.

The committee considered the accounts and were content with answers to their questions. In terms of the accounting procedure for salaries of staff shared with Vale of White Horse District Council, the officers agreed to provide details to councillors outside of the meeting. This detail had previously been reported to Council. The committee confirmed that it was content with the accounts.

**RESOLVED:** to approve the statement of accounts 2013/14.

## **18 Annual governance statement 2013/14**

The committee considered the annual governance statement for 2013/14. This set out how the council had met the requirements of good governance over the year, and suggested areas for improvement in 2014/15.

**RESOLVED:** to approve the annual governance statement 2013/14.

## **19 Letter of representation to the council's external auditor**

The committee noted that the chairman and the section 151 officer had signed a 'letter of representation' to the external auditor, as part of the process in completing the statement of accounts. Copies of the letter were available for committee

members. However, the committee asked that in future years, the draft letter of representation was available to councillors before the committee meeting.

The meeting closed at 7.10 pm

Chairman

Date