

# Minutes



Listening Learning Leading

OF A MEETING OF THE

## **Audit and Corporate Governance Committee**

HELD AT 6.00PM ON 27 SEPTEMBER 2012

AT COUNCIL OFFICES, CROWMARSH GIFFORD

### **Present:**

Mr P Cross (Vice Chairman in the chair)

Mr R Bell (as substitute for Mr D Bretherton), Mr J Cotton, Ms K Crabbe, Mrs M Davies, Mr P Harrison

### **Apologies:**

Mr D Bretherton and Mr M Welply tendered apologies.

### **Officers:**

Mr S Bishop, Mr D Buckle, Mr S Hewings, Mr W Jacobs, Mrs A Partridge, Mrs N Thomas, Mrs J Thompson

### **Also present:**

Mr N Harris, Councillor  
Mr D Dodds, Cabinet member for finance  
Mrs A Ockleston, Audit Manager, Audit Commission

Ms M Grindley, District Auditor, Audit Commission tendered apologies.

### **14. Minutes, 10 July 2012**

**RESOLVED:** to approve the minutes of the meeting held on 10 July 2012 as a correct record and to agree that the Chairman sign them as such.

### **15. Review of complaints received during 2011/12**

The chairman informed the committee that a member of the public wished to address the committee on this item in confidential session.

### **RESOLVED:**

To exclude members of the press and public from the meeting for the duration of the member of the public's address to the committee

under Section 100A(4) of the Local Government Act 1972 as amended by the Local Government Act (Access to Information) (Variation) Order 2006 on the grounds that:

- The business involves the likely disclosure of exempt information as defined in paragraph 2 of part 3 of Schedule 12A of the Act and
- The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

There were no members of the press or public present. Officers and councillors and the audit manager remained in the room as permitted by the resolution.

A member of the public and their representative addressed the committee about a specific case in the report before it and requested the committee to either conduct, or instruct officers to conduct, or explain why it declined to conduct, an internal investigation into matters previously considered by the Ombudsman.

The strategic director advised that the committee's terms of reference (specifically 'the overview of Ombudsman investigations') did not permit it to issue an instruction to officers to investigate, or to investigate itself, a single complaint to the Ombudsman where the Ombudsman had reached a decision. No committee had the remit to re-open an investigation into a specific complaint. The authority to do this rested with the council's monitoring officer who had declined to carry out an investigation. The correct recourse for complainants who had exhausted the council's complaints procedure was to the Ombudsman, whose decision was before the committee.

The meeting was re-opened to the press and public.

The committee considered the report of the Chief Executive providing information and statistics about the complaints received during 2011/12 and the annual letter from and a summary of decisions reached by the Local Government Ombudsman.

Mr D Buckle, the chief executive, introduced the report and answered questions from the committee.

The committee noted that:

- Although the number of complaints had decreased since 2010/11 the number progressing beyond stage 1 had increased.
- The new complaints procedure agreed by the committee at its July meeting should speed up the council's response times to complaints and increase impartiality. However, there would be no opportunity for individual complaints to be referred to a panel of councillors as part of the process.
- The Ombudsman's annual review letter raised no general issues.
- A summary of each Ombudsman's decision and report was included in the committee papers. In the case raised by the member of the public, the Ombudsman had considered the complaint on the grounds explained in the address and issued a comprehensive report. There had been no finding of maladministration. Mr Buckle agreed to furnish a copy of this report to members of the committee.
- In some cases changes had been made as a result of complaints, such as changes to standard letters to provide more information.

- Although the number of complaints to the council was higher than the number made to Vale of White Horse District Council, the number of complaints to the Ombudsman and the outcome of these were comparable.

Councillors requested statistics for complaints from April 2012 to September 2012, to cover the last six months of operation of the current complaints process. The annual report from April 2012 to March 2013 should consider whether the new complaints process gave the expected improvements in service.

The committee noted the report.

## **16. Treasury management outturn 2011/12**

The committee considered the report of the Head of Finance that asked the committee to scrutinise the report to ensure that treasury activities were carried out in accordance with the treasury management strategy and policy.

A corrected version of table 3 in the report was circulated to the committee showing amended figures for the unit trusts.

In response to comments and questions Mrs N Thomas, Principal Technical Accountant, Mr W Jacobs, Head of Finance, and Mr D Dodds, Cabinet member, advised that:

- The actual usable cash available to the council was around £75million.
- The total return on investments over the year had been 2.12 per cent (raising £2.5million) compared to the local authority average return of 1.4 per cent.
- The local authority average return was used as it was representative of actual performance.
- The calculation of the return rate on corporate bonds was complex as it depended on both the interest rate and the maturity value.
- The council's investment portfolio was actively managed to maximise the returns within the parameters of the council's treasury management strategy. If minor adjustments to the strategy were required then the approval of the council's S151 officer would be sought, or for more significant changes the approval of council would be sought.

The committee agreed that it was satisfied that the treasury activities were carried out in accordance with the treasury management strategy and policy.

## **17. Alteration of the order of the agenda**

The committee agreed to vary the order of business on the agenda to that set out in the minutes below.

## **18. Audit Commission: Annual Governance Report 2011/12**

The committee considered the annual governance report of the Audit Commission. The committee considered a letter (circulated at the meeting) from the council's S151 officer to the Audit Manager setting out assurances of proper control procedures and disclosure to the Audit Commission of all relevant information. The committee also considered the draft annual audit letter from the Audit Commission (circulated at the meeting).

Mrs A Ockleston, the audit manager, advised that the audit of the council's accounts, financial governance, and value for money was now completed and Maria Grindley, the district auditor, had issued an unqualified opinion on the council's 2011/12 financial statements and there were no matters to report on the assessment of value for money. Some additional work on the statement of fixed assets and some adjustments to the relative values of the council's reserves had resulted in increased fees. The Audit Commission's responsibilities ended with the conclusion of this audit and responsibility was transferring to Ernst and Young from 1 November.

The committee noted the Audit Commission annual governance report and the draft annual audit letter.

The committee approved the draft letter of assurance from the council's S151 officer.

## **19. Annual Governance Statement 2011/12**

The committee considered the final annual governance statement that explained how the council had complied with its local code of governance and met the requirements of regulation 4 of the Accounts and Audit Regulations 2011 in relation to an annual review of the effectiveness of the council's systems and the preparation and approval of an annual governance statement (AGS). The committee had considered the draft version of this document at its meeting on 10 July 2012.

Councillors commented that the council's scrutiny committee may not be meeting frequently enough to provide effective governance and there were concerns over the number of complaints made against parish councillors.

### **RESOLVED:**

To approve the council's Annual Governance Statement.

## **20. Statement of Accounts 2011/12**

The committee considered the council's Statement of Accounts.

Mr S Hewings, Shared Accountancy Manager (Revenue), Mr W Jacobs, Head of Finance and Mr D Dodds, Cabinet member introduced the statement of accounts. They advised that the council set the budget for a single financial year but had to demonstrate through the medium-term financial strategy how to ensure the council's position was sustainable in future years.

### **RESOLVED:**

To approve the Statement of Accounts

## **21. Internal audit activity report 2012/13 quarter 2**

The committee considered the report of the Audit Manager 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 has been or will be taken where necessary.

The committee noted the report and that the systemic weaknesses identified were addressed through the Audit Manager's recommendations.

## **22. Internal audit management report 2012/13 quarter 2**

The committee considered the report of the Audit Manager that provided an update on management issues, summarised the progress of the internal audit team against the 2012/2013 audit plan up to 13 September 2012 and summarised the priorities and planned audit work for the remainder of the year.

The committee noted the report.

The meeting closed at 7.20pm.

Chairman

Date