

Meeting	Audit & Governance Committee
Date	31 July 2013
Present	Councillors Potter (Chair), Brooks (Vice-Chair), Barnes, Burton, Wiseman, Hodgson (Substitute for Councillor Watson) and Cuthbertson (substitute for Councillor Ayre) and Mr Whiteley (Independent Member)
Apologies	Councillors Ayre and Watson

---

#### **14. DECLARATIONS OF INTEREST**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. Councillor Potter declared a prejudicial interest in agenda item 6 – “Statement of Accounts 2012/13 – Annual Financial Report”, as an employee of York Wheels which was referred to in the financial statement.

#### **15. MINUTES**

RESOLVED: That the minutes of the meeting of 9 July 2013 be approved and signed by the Chair as a correct record subject to minute 1 being amended to reflect that Councillor Steward did not declare any interests in respect of business on the agenda.

#### **16. PUBLIC PARTICIPATION**

It was reported that there was one registration to speak at the meeting under the Council’s Public Participation Scheme. Ms Gwen Swinburn raised general issues in respect of items on the agenda including:

- Welcoming the inclusion in the Committee’s work plan of issues in respect of governance.
- Suggesting that further consideration be given as to how the Council could encourage citizens to inspect the Council’s accounts. Whilst legal requirements were being

met, Ms Swinburn asked that consideration be given to including information on the public notice board or the use of Twitter.

- Making the accounts more accessible by using a format such as fusion table rather than PDF.
- Drawing attention to a matrix that had been presented to the Without Walls Partnership and suggesting that more could be done to make such information more widely available.

## **17. AUDIT AND GOVERNANCE COMMITTEE FORWARD PLAN**

Consideration was given to a paper which presented the future plan of reports expected to be presented to the Committee during the forthcoming year to June 2014.

Members were asked to identify any further items they wished to add to the Forward Plan. The following suggestions were put forward:

- The need to ensure that the Committee was briefed on the implications of the Local Audit and Accountability Bill, including the new arrangements for the appointment of local auditors. It was noted that, as the new appointments were not due to start until 2017 at the earliest, there would be opportunities for the committee to be fully briefed on the possible implications.
- A briefing from the Assistant Director Governance and ICT on transparency in decision-making.

Members also agreed that, should officers believe this to be necessary, an additional meeting of the Committee would be convened in the autumn in view of the number of items for consideration.

The Chair sought Members' views as to whether future meetings of the Committee should commence at 5.30pm rather than 5.00pm in view of the work commitments of some Members. This was agreed.

**RESOLVED:** That the Committee's Forward Plan for the period up to June 2014 be agreed.

REASON: To ensure the Committee receives regular reports in accordance with the functions of an effective audit committee and can seek assurances on any aspect of the Council's internal control environment in accordance with its roles and responsibilities.

**18. MAZARS AUDIT PROGRESS REPORT**

Members considered a report from Mazars, the Council's external auditors, which reported on progress in delivering their responsibilities as auditors.

Members' attention was drawn to page 3 of Mazars' report which detailed the fraud and corruption assessments that had been carried out. The representative from Mazars' stated that their findings were generally positive and that the Council had taken appropriate action in all cases where fraud had been identified.

Details were given of the arrangements that were in place to assure the quality of the audit, as outlined in the report.

RESOLVED: That the matters set out in the progress report presented by Mazars be noted.

REASON: To ensure Members are aware of Mazars' progress in delivering their responsibilities as external auditors.

**19. STATEMENT OF ACCOUNTS 2012/13 - ANNUAL FINANCIAL REPORT 2012/13**

Members considered the draft Annual Financial Report, which included the draft pre-audit Statement of Accounts 2012/13.

A presentation was given on the Annual Financial Report, including the role of the Audit and Governance Committee in scrutinising and approving the accounts. A copy of the presentation is attached to the on-line agenda for this meeting.

Members made the following suggestions:

- It would be helpful to include a pie chart indicating how income was generated and for this to be positioned ahead of the pie charts indicating expenditure.
- Bullet point 5 on page 50 to be amended to read “£3.238m”
- Officers to give consideration as to ways of raising public awareness of the availability of the accounts, including looking at how the Council could make the electronic format more accessible<sup>1</sup>.

RESOLVED: That the draft pre-audit Statement of Accounts for the financial year ended 31 March 2013 and the Annual Governance Statement be noted.

REASON: To ensure that, in line with best practice, Members have had the opportunity to review the pre-audit Statement of Accounts.

Action Required

1. Amend as required and further raise public awareness of the accounts DM

**20. KEY CORPORATE RISK MONITOR ONE**

Members considered a report that presented an update on the key corporate risks, and highlighted in more detail any emerging risk issues with a view to Members considering any further information they would wish to receive on these matters.

Members questioned officers about the implications of reducing the number of highways inspectors and suggested that this may result in increased claims settlement costs, a greater number of claims being submitted and a deterioration in the highway infrastructure. Officers confirmed that the situation was being monitored. Members requested that they be kept informed on this issue via the regular reports that were presented to them<sup>1</sup>.

Members also gave particular focus to the risks in respect of the Office of the Chief Executive, as outlined in Annex A of the report. Officers from the directorate were in attendance and were questioned by Members about the risks.

RESOLVED: That the report be noted.

REASON: To provide assurance that the authority is effectively understanding and managing its key risks.

Action Required

1. Include update in future monitor report

LN

**21. DIRECT PAYMENTS UPDATE REPORT**

Members considered a report that provided an update on action taken by officers to address weaknesses identified in monitoring direct payments during a 2011/12 audit. It followed a previous update provided to Members in September 2012 that reported that further action was still needed to adequately address these weaknesses.

Officers reported that the service had made progress but that there was still more work to be done. It was reported that plans to issue pre-paid cards to direct payments customers and transfer responsibility for the monitoring of direct payments and their use to the customer accounts should facilitate the necessary improvements in control but that their introduction would have to be carefully managed. An update on progress would be included in a future internal audit report<sup>1</sup>.

RESOLVED: That the progress made to date to implement actions agreed following the audit of personalisation and direct payments in 2011/12 be noted.

REASON: To enable Members to fulfil their role in providing independent assurance on the Council's control environment.

Councillor Potter, Chair

[The meeting started at 5.00 pm and finished at 6.35 pm].