

Minutes



Listening Learning Leading



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 29 JULY 2019 AT 6.30 PM

MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON,
OX14 4SB

Present

Members:

South Oxfordshire District Councillors: Peter Dragonetti, Mocky Khan (Co-Chairman acting as Chairman), George Levy and David Bartholomew (in place of Jane Murphy)

Vale of White Horse District Councillors: Andy Foulsham, Eric de la Harpe, Simon Howell (Co-Chairman acting as Vice-Chairman) and Alison Jenner (in place of Amos Duveen)

Apologies:

Jane Murphy and Amos Duveen tendered apologies.

Officers

Ben Coleman, Yvonne Cutler-Greaves, Victoria Dorman-Smith, David Fairall, Simon Hewings, William Jacobs, Nilesh Parmar and Ron Schrieber,

Also present:

Sian Peters and Peter Wallace, Capita

1 Minutes

RESOLVED: to approve the minutes of the committee meeting held on 25 March 2019 as a correct record and agree that the Chairman signs them as such.

2 Declarations of interest

None.

3 Urgent business and chairman's announcements

The Chairman welcomed members to the first Joint Audit and Governance Committee meeting of the new Council and, on behalf of the committee, thanked the officers for the informative training they had provided prior to the meeting.

4 Public participation

None.

5 Corporate risk review

The committee considered the half yearly progress review of the corporate risk registers for both councils.

IT cyber security breach continued to be the highest ranked risk for both councils and the committee was advised of the actions taken to review and mitigate this risk.

One new risk had been added to both councils' risk registers – the impact of Brexit on the economic viability and services in the district. In response to a member's question, it was reported that this risk had been assessed on the short term impact on service provision. However, the risk would be reviewed in the light of further developments.

RESOLVED: to note the report and receive a half yearly progress review.

6 Statements of accounts 2018/19

The committee was informed that EY, the councils' external auditors, had confirmed on 13 June that they would be postponing the audit of accounts. It was anticipated that they would now be carrying out the audit in September with the results reported to the committee in October.

Although the statutory deadline for signing off and publishing the financial statements for both councils was 31 July, there would be no "naming and shaming" of councils who failed to do so this year.

In reply to a member's question, the committee was advised that, in officers' opinion, it was better for the accounts to be audited thoroughly than to be rushed to meet a deadline.

Whilst noting the update, it was agreed that EY should be requested to confirm the timetable for completing the audit.

RESOLVED:

1. to note progress on completing the 2018/19 statement of accounts; and
2. that the head of finance write to EY to request confirmation of the timetable for completing the audit of accounts.

7 Internal audit activity report quarter one 2019/2020

The committee considered the internal audit manager's report on internal audit activity during the first quarter of 2019/20. This summarised the outcomes of recent audit activity.

11 audits had been completed during the quarter, six of which had received limited assurance.

Creditor Payments 2018/2019

The committee considered the main findings and recommendations of the internal audit report.

In response to members' questions regarding duplicate invoices (Recommendation 7):

- Officers agreed to circulate details of the amounts of the potentially duplicate invoices identified; and
- The Capita representative agreed to provide a written response confirming whether the potentially duplicate invoices identified in the review were, in fact, duplicate invoices

HR Management 2018/19

The committee considered the main findings and recommendations of the internal audit report.

Payroll 2018/19

The committee considered the main findings and recommendations of the internal audit report.

With regard to MyView training (Recommendation 2), the committee noted that Capita had agreed to the recommendation to provide additional MyView system training for line managers.

Petty Cash Procedures 2018/19

The committee considered the main findings and recommendations of the internal audit report.

Pro-Active Anti-Fraud Review 2018/19

The committee considered the main findings and recommendations of the internal audit report.

Sundry Debtors 2018/19

The committee considered the main findings and recommendations of the internal audit report.

RESOLVED: to note the internal audit activity report for the first quarter of 2019/20.

8 Internal audit management report quarter one 2019/2020

The committee considered the internal audit manager's management report on internal audit for the first quarter of 2019/20.

The committee was advised that recruitment to fill two auditor vacancies had been ongoing during the quarter with one auditor due to be employed with effect from 12 August. Recruitment for the remaining vacancy was in progress.

RESOLVED: to note the internal audit management report for the first quarter of 2019/20.

9 Internal audit annual report 2018/2019

The committee considered the internal audit manager's annual report on internal audit activity during 2018/19.

It was the internal audit manager's unqualified opinion that, based on the areas reviewed during the year, satisfactory assurance could be placed on both councils' general risk management, control and governance processes. Overall, there was basically a sound system of internal control at both councils, but there were some weaknesses which might put some system objectives at risk. It should be noted that the control environment within key financial systems across both councils remained consistent since 2016/2017.

The chairman congratulated internal audit on its performance against targets in 2018/19 despite carrying vacancies for much of the year.

RESOLVED: to note the internal audit annual report 2018/19.

10 Internal audit charter 2019/20

The committee considered the internal audit charter which formally defined the internal audit activity's role, purpose and authority in line with the Public Sector Internal Auditing Standards (PSIAS) and so was vital in demonstrating the internal audit service's compliance with these standards. It established internal audit's position within the councils and reporting lines; authorised access to records, personnel and physical property relevant to the performance of audit work; and defined the scope of internal audit activities.

The charter could act as a service level agreement with the strategic management team and joint audit and governance committee so that there was a clear understanding of the role, purpose and position of internal audit within the organisation and the scope and nature of its work. The document acted as a guide for internal auditors in their daily work, but also assisted officers and members of the councils in understanding what internal audit is and how it operates.

RESOLVED: to approve the internal audit charter 2019/20.

11 Work programme

The committee noted its work programme. An updated version would be circulated to members.

The meeting closed at 7.55 pm

Chairman

Date