

Minutes



Listening Learning Leading



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 13 JULY 2020 AT 6.30 PM
THIS WAS A VIRTUAL, ONLINE MEETING.

Present

Members:

South Oxfordshire District Councillors: Mocky Khan, Simon Howell, Peter Dragonetti, George Levy, Eric de la Harpe and Amos Duveen and Alan Thompson (as substitute for Jane Murphy)

Vale of White Horse District Councillors: Mocky Khan, Simon Howell, Peter Dragonetti, George Levy, Eric de la Harpe and Amos Duveen and Alison Jenner (as substitute for Andy Foulsham)

Other councillors as guests: Andrew Crawford and Debby Hallett (Vale of White Horse District Council) and Andrea Powell and Leigh Rawlins (South Oxfordshire District Council)

Officers: Steve Culliford, Yvonne Cutler-Greaves, Victoria Dorman-Smith, David Fairall, Emily Hamerton, Simon Hewings, Allison Holliday, Paul Howden, Suzanne Malcolm, Catrin Mathias, Adrianna Partridge, Richard Spraggett, Ken Trotter, Sally Truman, Simon Tuner, and Donna Worrell

External auditor: Kevin Suter (EY)

1 Apologies for absence

Councillor Jane Murphy (South Oxfordshire) had sent apologies for absence and appointed Councillor Alan Thompson as her substitute. Councillor Andy Foulsham (Vale of White Horse) had sent apologies for absence and appointed Councillor Alison Jenner as his substitute.

2 Minutes

RESOLVED: to adopt as a correct record the minutes of the committee meeting held on 27 January 2020 and agree that the chairman signs them as such.

3 Declarations of interest

None

4 Urgent business and chairman's announcements

The chairman re-ordered the agenda items to bring item 9 – internal audit activity report – towards the front of the agenda.

5 Public participation

None

6 Internal audit activity report - fourth quarter 2019/20

The committee considered the internal audit manager's report, which summarised the outcomes of internal audit activity at both councils during the fourth quarter of 2019/20. A report on the first and second quarter activity during 2020/21 would be brought to a subsequent meeting.

The committee reviewed the report and the main issues arising and sought assurance that action had been or would be taken. The report set out the detail of four audits with limited assurance ratings.

Capital management and accounting 2019/20

The audit had identified several recommendations for process improvements. The property service manager reported that a strategic property review would be undertaken to better manage the councils' property holdings. Part of this review involved reconciling the data held in the property management system. The committee noted that this exercise should be completed by 1 November 2020.

Council tax 2019/20

The committee noted that the actions relating to un-banded properties had been postponed during the Covid-19 pandemic as staff had been diverted to work on the council's response.

Sundry debtors 2019/20

The committee noted that in relation to Building Control, some invoices had not been raised. This was due to the need to better reconcile the building control records with the financial management system. Manual checks had been introduced to ensure the problems experienced did not re-occur.

Officers reported that in debt recovery generally, no second reminders had been issued nor court action progressed during the Covid-19 pandemic. However, the courts were expected to resume operation in the next few months, allowing the council's normal debt recovery procedures to continue.

Payroll 2019/20

The committee noted that some of the actions had slipped during the pandemic, but the operation of the Payroll service was now back in-house, within the councils' control. The committee welcomed this.

RESOLVED: to note the internal audit manager's report on internal audit activity at both councils during the fourth quarter of 2019/20.

7 Risk management - corporate risk register

The committee considered the head of corporate services' report. This reviewed progress against the councils' risk registers.

Officers reported that some of the risk scores had increased due to the Covid-19 pandemic, and now there was a separate Covid-19 risk register. The committee welcomed this and noted the risk scores and mitigation.

Officers provided detail on some of the mitigations being used and planned in the future. Examples given were: various measures to maintain staff morale while most worked from home; contingency measures to manage issues experienced by third parties, particularly during the pandemic; and due diligence checks to manage payments of the business grants support scheme.

The committee welcomed the report and looked forward to a further report in six months' time.

RESOLVED: to agree to undertake a half-yearly progress review of the corporate risk registers, as outlined in the risk management strategy.

8 Health and safety progress update

The committee consider the head of corporate services' report on the key findings and recommended actions of a recent strategic review of health and safety. The aim of the review was to provide assurance on health and safety compliance and enable both councils to demonstrate adherence to the requirements of health and safety legislation.

The review exercise had clarified responsibilities and lead to a greater understanding of the health and safety risk profile of every team. There would be bi-annual reports to the committee, setting out progress against the actions identified in the report. The committee welcomed this.

RESOLVED: to

- (a) note the findings of the recent health and safety strategic review and the actions being progressed; and
- (b) note that bi-annual health and safety reports will be presented to the committee.

9 Statement of accounts 2018/19

The interim head of finance gave a verbal update on progress with signing off the councils' statement of accounts for 2018/19.

The committee recalled that it had given its approval to the signing off of these accounts at its meeting on 27 January 2020 and agreed that the letters of representation were signed.

The officer reported that the signing off of these accounts had been delayed by the Covid-19 pandemic. However, the councils' external auditor, EY, had been content with the accounts before the pandemic but its staff were given a moratorium on signing-off any accounts while the risks of the pandemic were assessed.

The committee noted that EY was now content with the statement of accounts for both councils and that these would be signed-off in the next few weeks. There was some additional work to complete including the addition of Covid-19 as a post balance sheet event and to consider the impact of the pandemic on the councils' going concern status. All councils had to do this to demonstrate liquidity for the next 12 months. Kevin Suter from EY was present at the committee meeting and confirmed his agreement to this. The 2018/19 accounts should be signed-off shortly as there were no significant changes to make. Therefore, no further resolution was required by the committee to approve the statement of accounts; new letters of representation would be signed in due course.

RESOLVED: to

- (a) note the verbal report on progress with the signing-off of the councils' statement of accounts for 2018/19; and
- (b) ask officers to provide an update later in 2020 on the impact on the council of the Covid-19 pandemic.

10 Internal audit management report - fourth quarter 2019/20

The committee considered the internal audit manager's management report for the fourth quarter of 2019/20. This set out progress against the audit plan and summarised the priorities for the first quarter of 2020/21; the management report for the first and second quarters would be submitted to a future committee meeting.

The committee noted the internal audit manager's management report for the fourth quarter of 2019/20.

11 Internal audit plan 2020/21

The committee considered the internal audit manager's report on the draft audit plan for 2020/21. This had been deferred from the postponed committee meeting in March, following the introduction of the Covid-19 lockdown. The audit plan set out internal audit's priorities for the remainder of the year. During the first few months of 2020/21, internal audit staff had been working the council's Covid-19 response. As such little progress had been made on internal audits since April 2020.

Committee members supported the audit plan for the remainder of 2020/21.

Afterword:

Following the committee meeting it became apparent that, due to a technical problem, the live streaming of this part of the meeting had failed and that the debate and decision to approve the audit plan was not available for the public to view online. This meant the councils were not meeting The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and

Crime Panel Meetings) (England and Wales) Regulations 2020 No.392, which been issued under Section 78 of the Coronavirus Act 2020. Therefore, the committee could not formally resolve to approve the audit plan.

Following the meeting, the Co-Chairs Councillors Mocky Khan and Simon Howell, had concluded that as committee members had supported approval of the audit plan in good faith that the decision would be valid, the internal audit manager could proceed with implementing the audit plan for 2020/21. However, the Co-Chairs had also concluded that members should be asked to confirm their approval of the audit plan at the next committee meeting on 22 September 2020.

12 Audit and governance work programme

The committee reviewed and noted its work programme.

The meeting closed at 8.00 pm

Chairman

Date