

Minutes



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 25 SEPTEMBER 2017 AT 6.30 PM
MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, OX14 4SB

Present

Members:

South Oxfordshire District Councillors: Charles Bailey, Kevin Bulmer, Toby Newman, and John Walsh

Vale of White Horse District Councillors: Dudley Hoddinott, Simon Howell (Chairman), and Chris Palmer

Officers:

Sandy Bayley, Steve Culliford, Yvonne Cutler-Greaves, William Jacobs, Adrianna Partridge, and Mark Stone

Also present:

Rhona Bellis and Simon Hewings (Capita Accountancy), Andrew Brittain and David Guest (EY)

15 Apologies for absence

Vale of White Horse District Councillor Henry Spencer had sent his apologies for absence.

16 Minutes

RESOLVED: to adopt as a correct record the minutes of the committee meeting held on 3 July 2017 and agree that the chairman signs them as such.

17 Declarations of interest

None

18 Urgent business and chairman's announcements

The chairman accepted two exempt items of urgent business in order that they could be resolved quickly.

19 Public participation

None

20 Risk management strategy

The committee considered the report of the head of corporate services, which proposed a joint risk management strategy to 2019. The strategy extended to all operations of the two councils.

The committee supported the strategy and noted that risk management monitoring reports would be submitted to the committee every six months, starting with January 2018.

RESOLVED: to approve the risk management strategy.

21 Internal audit activity report - second quarter 2017/18

The committee considered the interim audit manager's report on internal audit activity during the second quarter, 2017/18. Five audits and three follow-up audits had been completed during the quarter. None of the five audits had received a limited assurance rating.

The committee noted the summary of overdue audit recommendations and that several recommendations related to a vacant post. The interim audit manager agreed to investigate this and update the schedule accordingly. If any overdue recommendations were to be written-off, the committee would be advised of these.

Further to the minutes of the last meeting, it was noted that letters had been sent to Capita as requested (minute 6 refers).

RESOLVED: to

- (a) note the internal audit activity report for the second quarter of 2017/18; and
- (b) request the interim audit manager to update the schedule of outstanding audit recommendations and advise the committee of any recommendation that had been written-off.

22 Internal audit management report - second quarter 2017/18

The committee considered the interim audit manager's report on internal audit management during the second quarter, 2017/18.

The committee noted that the audit plan 2017/18 was on target for completion during the year. Once the new management structure had been put in place, the audit plan and procedures would be reviewed.

RESOLVED: to

- (a) note the internal audit management report for the second quarter of 2017/18; and
- (b) request the interim audit manager to send the internal audit report on the five councils' partnership to all committee members in advance of the report being considered at the next committee meeting.

23 External auditor's audit results report 2016/17

The committee considered the external auditor's audit results for 2016/17. Andrew Brittain and David Guest of EY presented the main highlights from the report. They confirmed that the audit would be completed by 30 September.

For both councils, a number of audit differences were highlighted to the councils, the majority being below the reporting threshold but with one exception. For the Vale of White Horse an adjustment was needed relating to Enterprise Zone business rates, without any change to the bottom line.

In the value for money audit, EY identified risks with insufficient arrangements to allow informed decisions to take place during the transition period following the retirement of the chief executive in 2016, and insufficient capacity to undertake statutory roles. With regard to the Five Councils' Partnership, EY recognised that there had been changes in the expected savings from the contracts and that the councils were negotiating contract amendments. EY was comfortable with arrangements and was assured that the risks were being managed.

The committee noted that EY would issue unqualified audit reports on the financial statements for both South Oxfordshire and Vale of White Horse District Councils and would issue audit certificates accordingly.

RESOLVED: to note the external auditor's audit results for 2016/17.

24 Annual Governance Statement 2016/17 - South Oxfordshire

The committee considered South Oxfordshire's Annual Governance Statement 2016/17. The committee approved the statement, noting that it formed part of the council's statement of accounts.

RESOLVED: to approve South Oxfordshire District Council's Annual Governance Statement 2016/17 to form part of the statement of accounts.

25 Annual governance statement 2016/17 - Vale of White Horse

The committee considered the Vale's Annual Governance Statement 2016/17. The committee approved the statement, noting that it formed part of the council's statement of accounts.

RESOLVED: to approve Vale of White Horse District Council's Annual Governance Statement 2016/17 to form part of the statement of accounts.

26 Statement of Accounts 2016/17

The committee considered the report of the head of finance, which set out the statement of accounts for South Oxfordshire and Vale of White Horse for 2016/17. The accounts had to be approved by the committee by 30 September 2017.

In answer to questions from the committee, it was noted that:

- On occasions when final figures were not known by the year-end, the accounts had to include an estimate; examples included the pensions liability for the year and a fixed asset's value at a given point in time

- The final year-end figure for the Enterprise Zone business rates would not be known until the end of the 2017/18 financial year

The committee was content that the accounts had been prepared correctly and approved them for both councils.

The committee noted that from next year, the statement of accounts would have to be approved by 31 July.

RESOLVED: to

- (a) approve the statement of accounts for South Oxfordshire District Council for 2016/17 as amended and signed by the chairman of this meeting of the committee and by the co-chairman from South Oxfordshire District Council; and
- (b) approve the statement of accounts for Vale of White Horse District Council for 2016/17 as amended and signed by the chairman of this meeting.

27 Letter of Representation to the external auditor - South Oxfordshire

Tabled at the meeting was a draft letter of representation from the co-chairman to the external auditor, EY, as part of the process in completing the statement of accounts.

RESOLVED: to agree that the co-chairman from South Oxfordshire District Council signs the letter of representation to the external auditor.

28 Letter of Representation to the external auditor - Vale of White Horse

Tabled at the meeting was a draft letter of representation from the co-chairman to the external auditor, EY, as part of the process in completing the statement of accounts.

RESOLVED: to agree that the co-chairman from Vale of White Horse District Council signs the letter of representation to the external auditor.

29 Treasury Outturn 2016-17

The committee considered the head of finance's report on the treasury management performance from 2016/17. This showed that both councils had achieved a higher rate of return than the target income for the year. The returns had also exceeded the market benchmarks.

The committee welcomed the report and thanked the officers for their work on this.

RESOLVED: to

- (a) note the treasury management outturn report 2016/17; and
- (b) advise Cabinet that the committee is satisfied that the treasury activities have been carried out in accordance with the treasury management strategy and policy.

30 Work Programme

The committee reviewed and updated its work programme, adding:

- risk management monitoring reports for the committee's consideration every six months, starting in January 2018
- statement of accounts for the committee's approval by the end of July 2018. The chairman asked committee members to reserve the evening of 30 July 2018 in their diaries for this purpose.

31 Exclusion of the public, including the press

RESOLVED: to exclude members of the press and public from the meeting for the following item of business, under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006, on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

32 Staffing matter

The committee received a report from the chief executive.

33 Third party payment

The committee received a report from the chief executive.

The meeting closed at 8.37 pm

Chairman

Date

This page is intentionally left blank