

OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 25 MARCH 2019 AT 6.30 PM
NORTHBOURNE ROOM, DIDCOT CIVIC HALL, BRITWELL ROAD, DIDCOT
OX11 7JN

Present

Members:

South Oxfordshire District Councillors: Alan Thompson, John Walsh and Ian White (Co-Chairman acting as Chairman)

Vale of White Horse District Councillors: Mike Badcock, Debby Hallett, Simon Howell (Co-Chairman acting as vice-Chairman) and Chris Palmer

Apologies:

Toby Newman tendered apologies.

Officers

Ben Coleman, Simon Hewings, Victoria Hughes, William Jacobs, Fergus Nugent, Adrianna Partridge, Margaret Reed, Ron Schrieber, Mark Stone and Sally Truman

Also present:

South Councillors David Dodds, Jane Murphy and David Turner

Vale Councillors Ed Blagrove, Helen Pighills, Judy Roberts and Emily Smith

Emily Hunt (Capita) and Kevin Suter (EY)

47 Minutes

RESOLVED: to approve the minutes of the committee meeting held on 28 January 2019 as a correct record and agree that the Chairman signs them as such.

48 Declarations of interest

None.

49 Urgent business and chairman's announcements

None.

50 Public participation

None.

51 2017/18 Year end audit: lessons learned and corrective action

The committee considered the report of the head of finance/strategic finance manager/finance business partner which:

- provided a summary of the factors which resulted in the external auditors not completing their planned audits in June 2018 and consequently not signing the financial statements for either council in accordance with the new reporting deadline of 31 July: and
- highlighted the corrective actions being taken to seek to ensure that the 2018/19 and future year statements were audited and signed in accordance with the statutory reporting deadline.

The committee welcomed the improvements to the process agreed with Capita Accountancy (CA), as set out in an appendix to the report. It noted that the strategic finance team would be seeking to establish regular communication with CA and the external auditor and requested that the committee co-chairs be included in this process.

The committee thanked the finance officers for their efforts to complete the 2017/18 statement of accounts, and agreeing improvements for the future.

RESOLVED: to note the report.

52 Statement of accounts 2018/19

The committee considered the report of the head of finance/senior accountant (Capita) which outlined progress being made towards the completion of the 2018/19 statement of accounts, and presented revised statements of accounting policies for approval.

The report detailed the main changes in accounting policies arising from changes in International Financial Reporting Standards. These changes would have minimal effect on the councils' financial statements.

RESOLVED: to

1. note progress on completing the 2018/19 statement of accounts;
2. approve the revised statements of accounting policies as shown in Appendix 1 (South Oxfordshire District Council) and Appendix 2 (Vale of White Horse District Council).

53 Annual report on the councillors' code of conduct

The committee considered the report of the monitoring officer which provided an update on code of conduct work during the 2017/18 municipal year, including the number of district and parish code of conduct complaints received. The report also included information on significant potential changes to the code of conduct regime.

The report stated that, although South and Vale councils had direct responsibility for maintaining Standards in Public Life, they were very limited in terms of sanctions, particularly in relation to parish councillors. This meant that it was often necessary to take a pro-active and/or alternative way to resolve disputes. A short summary of complaints dealt with in the 2017/18 municipal year were set out in an appendix to the report.

Each council retained the services of two “independent persons” to assist in maintaining and promoting high ethical standards in the district councils and the parish councils in South and Vale. The terms of office of the current independent persons expire on 30 September 2019 and a recruitment exercise to fill the roles for the period 1 October 2019 – 30 September 2023 will commence in summer 2019.

The committee was advised that, in January 2019, the Committee on Standards in Public Life published its review report on local government ethical standards, recommending significant changes in the code of conduct regime. It was not yet clear whether the government will accept these recommendations and, if so, what will be the timetable for implementation. A further report would be submitted to the committee and both Councils should any changes to the current arrangements be required.

RESOLVED: to note the annual report on the councillors’ code of conduct for the 2017/18 municipal year.

54 Review of complaints received during 2017/18

The committee considered the head of corporate service’s report which provided information and statistics about formal complaints received during 2017/18.

For South Oxfordshire, the number of stage one and stage two complaints was similar to those in 2016/17, whilst the number of complaints to the Local Government and Social Care Ombudsman (LGO) had reduced. For Vale of White Horse, the number of stage one and LGO complaints had risen slightly, whilst the number of stage two complaints had remained the same.

The official annual complaints reports from the LGO for South and Vale were included as appendices to the report.

RESOLVED: to note the review of complaints received during 2017/18.

55 South Oxfordshire and Vale of White Horse audit planning report 2018/19

The committee considered EY’s audit plan 2018/19 which set out how they intended to carry out their responsibilities as the councils’ external auditor.

No significant financial statement risks had been identified other than the accepted general risk of fraud in revenue recognition and management override. In addition, the implementation of revised arrangements for the corporate services contract, the programme governance review, and financial resilience (South Oxfordshire only) had been identified as significant value for money risks.

RESOLVED: to note the South Oxfordshire and Vale of White Horse District Councils’ audit plan 2018/19.

56 Corporate fraud and cyber security risk review

The committee considered the report of the corporate fraud officer which provided an update on the corporate and cyber security risk review, commissioned by the strategic management team and summarised current progress and initial findings.

A final report together with documentation outcomes would be reported to the July committee meeting. Recommendations would be considered for incorporation into the 2019/20 internal audit plan.

RESOLVED: to note the report.

57 Internal audit activity report quarter four 2018/2019

The committee considered the internal audit manager's report on internal audit activity during the fourth quarter of 2018/19. This summarised the outcomes of recent audit activity.

Two audits had been completed during the quarter, neither of which had received limited assurance.

Overdue recommendations

The committee noted the current timetable for relaunching the recommendations database.

RESOLVED: to note the internal audit activity report for the fourth quarter of 2018/19.

58 Internal audit management report quarter four 2018/2019

The committee considered the internal audit manager's management report on internal audit for the fourth quarter of 2018/19.

Recruitment for the two vacant auditor posts was in progress. However, these vacancies would impact upon the delivery of the 2018/19 audit plan.

RESOLVED: to note the internal audit management report for the fourth quarter of 2018/19.

59 Internal audit annual plan 2019/20

The committee considered the internal audit manager's report which explained the process for setting the internal audit plan and for calculating the resources available and which set out the proposed internal audit plan for 2019/20.

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

60 Work programme

The committee reviewed its work programme and noted that, in addition to the items already scheduled for the July meeting, there would be a further report on the corporate fraud and cyber security risk review (see Minute 56 above) and possibly one on the programme governance review (see Minute 61 below).

In view of the large number of items coming to each meeting it might be necessary to increase the frequency of meetings in the new municipal year.

61 Programme governance review

The committee considered the report of the acting deputy chief executive – transformation and operations which updated the committee on progress of the review and which summarised the findings from completed reviews.

Five individual reviews had been completed with a further three still in progress. Should these three reviews identify any new findings, they will be reported to the July committee.

South Councillor David Turner addressed the committee and asked a number of questions relating to the review. Due to the content of the questions, the committee agreed that responses would be provided in the confidential part of the meeting.

The committee was advised that significant action had already been taken by officers and members to address the findings from the review and ensure that appropriate and ongoing changes were made to the councils' governance framework. However, it would take time to embed the required cultural shift.

The committee thanked the chief executive and acting deputy chief executive – operations and transformation for their work over the last six months to establish and implement the review.

RESOLVED: to note the report.

62 Exclusion of the public

RESOLVED: to exclude members of the press and public from the meeting for the following items 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.

63 Programme governance review - confidential appendix

The appendix was noted.

The meeting closed at 8.40 pm

Chairman

Date