

Minutes



Listening Learning Leading



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON THURSDAY 27 SEPTEMBER 2018 AT 6.15 PM
MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, OX14 4SB

Present

Members:

South Oxfordshire District Councillors: Toby Newman, John Walsh, and Ian White (Co-Chairman acting as Vice-Chairman for this meeting)

Vale of White Horse District Councillors: Mike Badcock, Dudley Hoddinott, Simon Howell (Co-Chairman acting as Chairman for this meeting), and Chris Palmer

Officers:

Steve Culliford, Simon Hewings, Victoria Hughes, William Jacobs, and Mark Stone

Also present:

Andrew Brittain and Malcolm Haines (EY), and Richard Spraggett (Capita)

11 Apologies for absence

None

12 Minutes

RESOLVED: to approve the minutes of the committee meeting held on 12 July 2018 as a correct record and agree that the Chairman signs them as such.

13 Declarations of interest

None

14 Urgent business and chairman's announcements

The chairman re-arranged the order agenda items were considered to concentrate efforts on the key issue, the Statement of Accounts.

The chairman welcomed the new Internal Audit Manager, Victoria Hughes, to the meeting.

15 Public participation

None

16 External auditor's audit results report 2017/18

The committee considered the external auditor's (EY) audit results report for the year ending 31 March 2018. EY tabled two updated pages to its report. The committee noted the main messages:

- The audit had not been completed in July due to insufficient information being available at that time;
- However, EY's audit of the councils' 2017/18 Statement of Accounts had almost been completed and should be signed off on 28 September 2018;
- EY was confident that it would do so, with both council's accounts being given an unqualified opinion;
- A disparity had been found in the valuation of the Vale's property at the White Horse Leisure and Tennis Centre but this had since been rectified;
- South Oxfordshire's expenditure and income had been overstated as the expenditure reflected all costs payable to Capita and Vinci under the Five Councils Partnership and income included all reimbursements from the partner councils. The council was acting as collection agent and therefore should only show its share of costs in expenditure;
- Some audit differences had been found (set out on the amended page 21 of EY's report), which management had chosen not to adjust in the accounts; the committee was comfortable that management had not corrected them as they were not material differences and would be corrected in time;
- The accounts showed some deferred capital receipts, which were long leases; consideration would need to be given to how these were accounted for in future years;
- When conducting the Payroll audit, EY discovered some cases where staff starter forms and termination forms had not been completed; this mostly related to short-term elections staff;
- Some councillors had not completed their 'related party transactions' forms;
- EY had given an unqualified opinion on the councils' value for money audit; although significant risks had been identified in the Five Councils Partnership contract, EY had concluded that the councils were doing their best to negotiate the best possible value out of the contract and had put sufficient arrangements in place to get the best outcome.

The committee called for a report on the reasons why the external auditors could not sign off the councils' accounts in July and on what needs to be done to ensure this does not reoccur in future years. This 'lessons learned' report and corrective plan should be compiled jointly by the councils and its contractor, Capita. The committee asked for the report to be submitted to its meeting on 28 January 2019.

The committee thanked EY for its report.

RESOLVED: to

- (a) note the external auditor's audit results report for the year ending 31 March 2018;
- (b) note that EY have given unqualified opinions on the councils' Statement of Accounts audits and value for money audits in 2017/18; and

- (c) request the committee's co-chairmen write to the leaders of each council to stress the importance of councillors completing their 'related party transactions' forms; and
- (d) request that a 'lessons learned' report and corrective plan be compiled jointly by the councils and its contractor, Capita, and be submitted to the committee meeting on 28 January 2019, on the reasons why the external auditors could not sign off the councils' accounts in July and what needs to be done to ensure this does not re-occur in future years.

17 Statement of Accounts 2017/18

The committee considered the Statement of Accounts for South Oxfordshire and Vale of White Horse for the year 2017/18. The accounts were presented to the committee for signing off, subject to EY completing its audit on 28 September.

The committee was satisfied that the accounts were correct. The committee thanked the officers and Capia staff for their work on the accounts.

RESOLVED: to

- (a) approve the Statement of Accounts for South Oxfordshire District Council for 2017/18 as 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 2017/18 as signed by the chairman of this meeting.

18 Annual Governance Statement 2017/18 - South Oxfordshire

The committee considered South Oxfordshire's Annual Governance Statement 2017/18. The committee approved the statement, noting that it formed part of the council's Statement of Accounts.

RESOLVED: to approve South Oxfordshire's Annual Governance Statement 2017/18 to form part of the Statement of Accounts.

19 Annual Governance Statement 2017/18 - Vale of White Horse

The committee considered Vale of White Horse's Annual Governance Statement 2017/18. The committee approved the statement, noting that it formed part of the council's Statement of Accounts.

RESOLVED: to approve Vale of White Horse's Annual Governance Statement 2017/18 to form part of the Statement of Accounts.

20 Treasury outturn 2017-18

The committee considered the head of finance's report on the treasury outturn for both South Oxfordshire and the Vale in 2017/18.

RECOMMEND to Council to

- (a) note the treasury management outturn report 2017/18; 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.

21 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.

22 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.

23 Work programme

The committee reviewed and updated its work programme, adding:

- a 'lessons learned' report and corrective plan on the reasons the external auditors could not sign off the councils' accounts in July and what needs to be done to ensure this does not re-occur in future years. This report to be considered at the committee meeting on 28 January 2019.

The meeting closed at 7.50 pm

Chairman

Date