

# Minutes

of a meeting of the

## Joint Audit and Governance Committee



held on Tuesday, 30 November 2021 at  
6.30 pm in First Floor Meeting Space, 135  
Eastern Avenue, Milton Park, OX14 4SB

**Open to the public, including the press**

### **Present in the meeting room:**

South Oxfordshire District Councillors: David Bartholomew (as substitute for Jane Murphy) and Peter Dragonetti

Vale of White Horse District Councillors: Andy Foulsham (Co-Chair) and Mike Pighills

Officers: Michael Flowers and Simon Hewings

### **Remote attendance:**

South Oxfordshire District Councillors: Mocky Khan (Co-Chair) and George Levy

Vale of White Horse District Councillor: Simon Howell

Officers: Tom Archer, Patrick Arran, Emma Creed, Victoria Dorman-Smith, Jeremy Lloyd, and Richard Spraggett

Other: Councillors Andrew Crawford (Vale of White Horse) and Leigh Rawlins (South Oxfordshire District Council)

External auditor: Kevin Suter (EY)

## **90 Apologies for absence**

South Oxfordshire District Councillor Jane Murphy tendered apologies.

## **91 Minutes**

**RESOLVED:** to approve the minutes of the meeting held on 28 September 2021 as a correct record and agree that the chair signs them as such.

## **92 Declarations of interest**

None.

## **93 Urgent business and chair's announcements**

None.

## 94 Public participation

None.

## 95 External auditor's audit results report 2019/20

The external auditor from Ernst and Young introduced the report. The committee were given the context of the report, with the original accounts having been presented to the committee in July. However, as a result of subsequent significant/material issues discovered since, the accounts were required to return to the committee for approval. The external auditor explained that the finalisation of testing of the collection funds had been completed and that appropriate information within income had been identified. While there had been a change to the statement of accounts, there had been nothing deemed overly significant in the changes. The auditor explained that the Community Infrastructure Levy (CIL) issue had been solved, and this was completed by going through previous years' data to identify what amendments had been required. The committee was subsequently told that South Oxfordshire had material changes to the prior year accounts which meant a prior year adjustment was required. The Vale of White Horse however was not technically required to make a prior year adjustment due to the size of the error, but management had chosen to make one. Additionally, a point had been raised about the controls which led to the CIL accounting error issue which gave the auditors feedback on the occurrence.

In response to a question from the committee requesting whether any further material issues had been found, the officer explained that minor typographical and numerical errors had been identified. Additionally, minor disclosure notes and references back to the statements including casting errors had been corrected.

A question of clarification was asked to the auditors on where the CIL income went and whether it would go directly into the reserves. The response to this question was that not all the CIL money was received by the council as some of the income was distributed to other parties.

A question was asked on why the errors occurred and could this occur in future. The response was that the team had gained more experience from the audit and would be more robust as a result for future audits for the councils. An additional question was asked on the implications from audits and whether there would be an impact on future processes or any reputational damage. The follow-up answer from the officer was that from an audit perspective, the number of errors would be considered for materiality in future years, but they considered it unlikely to cause any reputational damage.

**RESOLVED:** to note the external auditor's results report 2019/20.

## 96 Statement of accounts 2019/20

The Head of Finance introduced the report and explained that a subsequent amended paper had been sent to members which corrected typographical errors and cross casting.

The Strategic Finance Manager informed the committee that the figure for changes for the fair values of investment properties had been changed. The officer clarified that while the report had given a figure of £218,000, the correct figure was £281,000 but

the change in figure did not impact the rest of the numerical information as this had been an error due to manual data entry into the accounts. The officer informed the committee that the figure had been corrected in the supplementary paper circulated before the meeting.

A question was asked on why the error did not impact the financial totals given. The officer explained that the table in the accounts were in Microsoft Word and the figures were manually typed in, which in this case had resulted in the incorrect figure being included.

In response to a question from the committee surrounding the balance sheet, the officer explained that the increased in balance sheet worth was primarily from CIL, Section 106 funding, and a revenue budget underspend.

**RESOLVED:** to approve the statement of accounts 2019/20 for South Oxfordshire District Council and to authorise the co-chair to sign the document if no material differences are raised.

**RESOLVED:** to approve the statement of accounts 2019/20 for the Vale of White Horse District Council and to authorise the co-chair to sign the document if no material differences are raised.

## **97 Annual governance statements 2019/20**

The Head of Finance clarified to the committee that the statements presented were nearly identical to those approved in the July committee meeting. The officer confirmed that the only alterations were for the dating of the document and an update due to a change in leadership at South Oxfordshire District Council.

**RESOLVED:** to approve South Oxfordshire's Annual Governance Statement 2019/20 to form part of the Statement of Accounts.

**RESOLVED:** to approve Vale of White Horse's Annual Governance Statement 2019/20 to form part of the Statement of Accounts

## **98 Letters of representation to the external auditor**

The Head of Finance introduced the letters of representation to the external auditor. The officer explained that the key change for both letters had been in relation to paragraph A5 on the report which referred to unadjusted audit differences. The officer explained that in South Oxfordshire there had been no such differences and the paragraph had been removed. In the Vale of White Horse, it had been amended to list three differences together with a management comment as to why they had not been adjusted. The officer further expanded that there had been paragraphs where Covid-19 had been referred to specifically where this had not been before but that these did not impact the outcome of the letters of the representation to the external auditor.

**RESOLVED:** to agree that the committee's co-chair from South Oxfordshire District Council signs the letter of representation to the external auditor once the statement of accounts 2019/20 have been signed-off.

**RESOLVED:** to agree that the committee's co-chair from Vale of White Horse District Council signs the letter of representation to the external auditor once the statement of accounts 2019/20 have been signed-off.

## **99 Councillors' code of conduct complaints 2020/21 - annual report**

The chair welcomed Patrick Arran, the new Head of Legal and Democratic and Monitoring Officer to the committee.

The Monitoring Officer introduced the report explaining that it took a standard format and set out the basis for the code of conduct and how it operated. The report, which provided a summary of complaints received and determined in the 2020/21 municipal year against district and parish councillors, included a redacted summary which was available for members to view. The Monitoring Officer explained that based on his experience since joining the council, that the Code of Conduct issues raised were not a major issue at the current time, and that a number of enquiries were dealt with informally when possible. The Monitoring Officer also added that there was a thin line between a councillor acting in an official or unofficial capacity, which could be the deciding factor in the outcome of a complaint.

The committee commented that only one code of conduct issue regarding the use of social media had occurred from a district councillor. Due to the possibility of increased incidents occurring through social media as a result of its frequent usage, the committee were satisfied that only one such incident had occurred.

**RESOLVED:** to note the annual report on the councillors' Code of Conduct for the 2021/21 municipal year.

## **100 Arrangements for investigating allegations under the member code of conduct**

The Monitoring Officer introduced the report. The officer highlighted the recommendations set out in the report for the adoption of the proposed new arrangements for investigating allegations under the member code of conduct. The Monitoring Officer explained that since joining, he considered the role of investigating parish council complaints to have gone well. He expanded that one of the actions he had taken since joining the councils was to look at the existing arrangements of how the current complaints process operated. From this, he had set out a proposed new arrangement which was detailed in the report. The officer also explained that a consultation process had been conducted with the parish councils invited to provide feedback.

In response to a question surrounding the parish council feedback rate, the officer explained that he had received six responses with some being acknowledgement emails while others providing significantly more detailed responses. The officer elaborated that he had not expected a high number of responses but instead, had wanted to at least provide parish clerks the opportunity to provide feedback before a possible adoption.

A question was asked on the process of recruiting an independent person and the requirements to be appointed to the role. The officer's response was that the process was statutory and had to be advertised, and that the position was generally for a year, although due to Covid-19 the council had extended its current independent persons

for an additional timeframe. The role was independent, and persons connected to councillors of the authority were excluded from eligibility. The officer also expanded that recruitment was a difficult process from experience due to the grace and favour nature of the role.

The committee asked whether there was any financial impact from adopting the officer's recommendations. The officer explained that his role was employed to undertake these responsibilities and that he did not expect any additional cases to arise from the arrangements, but rather they would be approached differently.

**RESOLVED:** to

1. Note the requirement that the Committee for Standards in Public Life Best Practice recommendations should be adopted by all councils and that the draft Arrangements implement all but two of the Best Practice recommendations.
2. Subject to changes, recommend the Arrangements for investigating complaints and recommend them to the next appropriate meeting of Council for adoption.
3. Request the Monitoring Officer to ensure that the register of members gifts and hospitality is updated and published quarterly.

## **101 Treasury management mid-year monitoring report 2021/22**

The Head of Finance introduced the report. The officer informed the committee that that low return on interest rates had meant that the predicted forecast income would be below the budget for both councils. It was however noted that the comparative benchmarks showed both councils exceeding all investment types and that they had stayed within the prudential indicators for the first six months. The officer also corrected a typographical error within the report and confirmed that in relation to paragraph twenty-five, that bank rates were cut to 0.1 per cent and not ten per cent.

**RESOLVED:** to

1. Note the treasury management mid-year monitoring report 2021/22
2. Confirm satisfaction that the treasury activities were carried out in accordance with the treasury management strategy and policy.

## **102 Work programme**

The Democratic Services Officer confirmed that in addition to the items on the work programme for January's meeting, that the internal audit activity and management reports would both be presented. The officer also confirmed that the statement of accounts would be deferred to March with a date to be confirmed.

In addition, the committee were informed that two new items would be presented at January's meeting, these being:

- a. Future external audit arrangements
- b. Treasury management strategy 2022/23

**RESOLVED:** to note the committee work programme.

The meeting closed at 7.40 pm

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