

# Minutes



Listening Learning Leading



## OF A MEETING OF THE **Joint Audit and Governance Committee**

**HELD ON TUESDAY 15 NOVEMBER 2022 AT 6.30 PM  
MEETING ROOM 1, ABBEY HOUSE, ABBEY CLOSE, ABINGDON,  
OX14 3JE**

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

Members:

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

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

Officers: Darius Zarazel (Democratic Services Officer), Simon Hewings (Head of Finance)

### **Remote attendance:**

Officers: Bertie Smith (Broadcasting Officer), Victoria Dorman-Smith (Internal Audit Manager), Patrick Arran (Head of Legal and Democratic), James Carpenter (Head of Development and Corporate Landlord), Ben Border (Property Project Management Team Leader), and Karen Lister (Strategic Property Manager)

Guests: Councillor Leigh Rawlins (South Cabinet Member) and Councillor Andrew Crawford (Vale Cabinet Member)

### **34 Apologies for absence**

Apologies for absence were received from Councillor Jane Murphy.

### **35 Minutes**

**RESOLVED:** to approve the minutes of the meeting held on 27 September 2022 as a correct record and agree that the chair sign these as such.

### **36 Declarations of interest**

There were no declarations of interest.

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

The chair welcomed everyone to the meeting, outlined the procedure to be followed and advised on emergency evacuation arrangements. There was no urgent business.

### **38 Public participation**

There was no public participation.

### **39 Internal Audit Plan – mid-year review**

The committee considered three reports, all in the agenda pack to this meeting, the first of which was the mid-year review of the internal audit plan 2022/23 which was presented by the internal audit manager. This review summarised the outcomes of the annual internal audit plan 2022/23 and presented an updated audit plan for 2022/23 and was brought to the committee in order for the council to remain responsive to ongoing challenges, risks, and priorities.

In addition, the internal audit manager presented the Internal Audit Follow-up Process report to the committee. As there was no formal process for following up and processing the recommendations after the six-month audit review, the report proposed that recommendations be presented to the committee every quarter. The main aim of this was to ensure that the medium and high risks were managed more effectively and actioned in the agreed timeframes. When asked about the visibility of risks being cleared off the list, the internal audit manager confirmed that the quarterly update would provide information on what has been closed and what was still pending. She also confirmed that this would be an iterative process open to improvements. It was agreed that this would be brought to the next meeting of the committee.

Finally, the internal audit manager presented the Internal Audit Untapped Potential report, based on a recent Chartered Institute of Public Finance and Accountancy report. In this report, it detailed where the internal audit can do more and what is holding it back, including an action plan outlining how the impact of the internal audit function can be improved at South and Vale. Part of the proposed improvements included benchmarking of the annual internal audit opinion against other authorities, which was something welcomed by the committee. Also, when asked about the importance of data analysis and excel training for officers, the internal audit manager confirmed that this training would be very beneficial and would ensure that the team has a high standard of knowledge and skills.

The committee were satisfied with the reports and the internal audit managers recommendations and agreed to approve the updated internal audit plan, the revised follow-up process, and the actions in the untapped potential report.

**RESOLVED:** that the updated internal audit plan 2022/23, the Internal Audit Follow-up process, and the Internal Audit: untapped potential reports be approved.

### **40 Appointment of Independent person to Audit Committee and allowances for Independent Remuneration Panel and Independent Persons**

The committee considered a report on the appointment of an independent member of the Joint Audit and Governance Committee by the head of legal and democratic. This person would be independent to the council, answerable to the committee, who is skilled and able to take part in and make contributions to the audit

committee's business. As it was believed that the recruiting of an independent person to the audit committee would likely become a legal requirement, the council was recommended to approve the position now, before it became mandated. The co-opting of an independent member to the committee was also recommended by the Chartered Institute of Public Finance and Accountancy.

When the committee asked about the cost of the co-opted member, the head of legal and democratic confirmed that the independent remuneration panel would determine if a payment should be offered, and if so, what the amount the payment would be. In other authorities the allowance for the independent person has been found to be between £500 and £1,000 per year but would be proportional to members allowances. It was also confirmed that once the position and allowance was confirmed, it would be included in the budgetary process.

The committee also emphasised the need for a provision around the removal of the independent member from the committee if they were not making a meaningful contribution. The head of legal and democratic agreed that such a mechanism would be useful and agreed that this could be included when the terms of reference for the committee was updated to allow for the independent person to sit on the committee. The proposed revision to the terms of reference was also agreed to be brought back to the committee for their agreement.

Members also raised the potential of amending the person specification for the role to change the accountancy qualification from desirable to essential. This change was proposed in order to gain the best qualified candidates. However, the committee agreed that knowledge of local government finance and the audit process was very important and that they would not want to exclude good candidates without an accountancy qualification.

A motion, moved and seconded, to amend the person specification in order to make an accountancy qualification essential rather than desirable was lost when being put to the vote.

Overall, the committee believed that co-opting an independent person onto the committee would strengthen the council's internal controls and help promote good governance and strong financial management. However, it was agreed that the updated terms of reference for the committee needed to include a mechanism that would allow for the removal of the independent person if they fail to make a valuable contribution.

A motion, moved and seconded, to accept the proposals and recommendations laid out in the report, subject to the provision of mechanism for managing and removing this independent person being a part of the terms of reference, was carried on being put to the vote.

**RESOLVED:** that the committee:

1. Approve the principle of co-opting an Independent Person onto the Joint Audit and Governance Committee on a non-voting basis.
2. Approve the person specification, attached as appendix 1 to the head of legal and democratic's reports to the committee meeting.

**RECOMMEND:** that each Council:

- 3a) agree to co-opt one independent person on to the Joint Audit and Governance Committee on a non-voting basis;
- b) approve the person specification, attached as appendix 1 to the head of legal and democratic's reports to the committee meeting;
- c) authorise the head of legal and democratic and monitoring officer and the section 151 officer, in consultation with the Joint Audit and Governance Committee co-chairs, to undertake the recruitment process and appoint an independent person to the Joint Audit and Governance Committee for a period of four years until May 2027;
- d) authorise the head of legal and democratic to make changes to the councils' constitution to reflect the appointment;
- e) asks the Independent Remuneration Panel to consider an appropriate level of remuneration for the role of independent person to the Joint Audit and Governance Committee and the independent persons dealing with code of conduct matters.

## **41 Code of conduct annual report - 2021/22**

The committee received and noted the annual report on the councillor's code of conduct complaints for 2021-22 by the head of head of legal and democratic. The report described the newly implemented complaints system, emphasising the public interest test, the new code of conduct, and provided a list of typical complaints. The head of legal and democratic also informed the committee that complaints over the past year were not numerous and that he does not consider conduct an issue in either South Oxfordshire or the Vale of White Horse.

In addition, the committee noted that the head of legal and democratic has worked closely with parish councils across the districts to provided training events and one-on-one assistance where necessary. Over 180 parishes attended these training sessions, and they were recorded so that they could be replayed on demand.

The committee then asked about the potential for sanctions to be levied against Councillors who breached the code of conduct but the head of head of legal and democratic confirmed that there were very few sanctions that the council's were allowed to impose. For example, the council's could not remove a councillor by suspension or disqualification although he agreed that such a deterrent against particularly egregious breaches to the code of conduct would be valuable.

The committee thanked the head of legal and democratic for the report and his work with the parish and town councils.

**RESOLVED:** that the committee accept the report.

## **42 Statement of accounts 2021/22**

The committee received and noted a verbal update on the statement of accounts 2021/22 by the head of finance. The committee noted that the council had started to engage with auditors and send them data. In addition, the head of finance confirmed that he would likely consult with the chairs to hold an extra meeting of

this committee to cover the statement of accounts when they were ready in the new year.

### 43 Treasury Management

The committee received and noted a verbal update on treasury management by the head of finance. This update was requested by members at the last meeting of the committee in September 2022. The head of finance planned to present the midyear report to this meeting but confirmed that the report would come to the January committee meeting.

The committee noted that the economy had calmed since September but as the next fiscal event, the Autumn Statement, was due two days after the meeting, the head of finance believed that the economic outlook was still uncertain. Also, interest rates were now anticipated to peak at a lower level than previously thought. Officers are continuing to look for suitable deposits. Long term changes were on hold until the economic outlook became more certain.

### 44 Work Programme

The committee noted the committee's work programme and the democratic services officer informed the committee about the items that were schedule to come to the next committee meeting on 24 January 2023.

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

### 45 Exclusion of the public

**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 4 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.

### 46 Corporate landlord project

The committee received and noted the update and progress on the corporate landlord model (design phase) project by the head of development and corporate landlord, who was assisted by the Strategic Property Manager and the Property Project Management Team Leader.

The meeting closed at 7.56 pm

Chair

Date

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