

Minutes



Listening Learning Leading



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 15 APRIL 2024 AT 6.30 PM
MEETING ROOM 1, ABBEY HOUSE, ABBEY CLOSE, ABINGDON,
OX14 3JE

Present in the meeting room

Members:

South Oxfordshire District Councillors: Peter Dragonetti and Tony Worgan

Vale of White Horse District Councillors: Emily Smith (Co-Chair in the chair), Oliver Forder, Judy Roberts, Andrew Skinner

Independent member: Mike Boon

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

Remote attendance:

Councillors: Denise Macdonald

Officers: Pat Connell (Legal Services Manager), Victoria Dorman-Smith (Internal Audit and Risk Manager), Yvonne Cutler Greaves (Risk and Insurance Team Leader), Susie Royce (Broadcasting Officer), and Richard Spraggett (Strategic Finance Officer)

Guests: Neall Hollis (Bishop Fleming) and Alex Walling (Bishop Fleming)

43 Chair's announcements

The chair welcomed everyone to the meeting, outlined the procedure to be followed and advised on emergency evacuation arrangements.

44 Apologies for absence

Apologies for absence were received from Councillors Leigh Rawlins and Mocky Khan, who was substituted for Councillor Denise Macdonald attending the meeting virtually.

45 Minutes

RESOLVED: to approve the minutes of the meeting held on 30 January 2024 as a correct record and agree that the Chair sign these as such.

46 Declarations of interest

There were no declarations of interest.

47 Urgent business

There was no urgent business.

48 Public participation

There was no public participation.

49 External Audit Plan 2023/24

The committee received the external audit plan for 2023/24 from the councils upcoming external auditors, Bishop Fleming. Alex Walling and Neall Hollis, representatives from Bishop Fleming, introduced themselves to the committee and outlined the report.

The representatives from Bishop Fleming confirmed that both South and Vale District Councils' reports were very similar due to the similar risks across the two councils. In addition, they set out their levels of materiality, how they would address certain risks, and confirmed to the committee that their plans were in line with external audit standards. They also highlighted that the audit plan could change as a result of several national consultations which had recently concluded, but that any changes would be fed back to the committee.

On a question about the handover process between EY and Bishop Fleming, and if the last EY report in 2022/23 would have an impact on their plans, the representatives from Bishop Fleming indicated that this could be the case if EY raised particular issues that they would then want to look into.

Members noted the delay in the progressing of local government audits across the country and were assured by the representatives from Bishop Fleming that they had the resources to conclude the audits in a timely manner, subject to the finalisation of the 2023/24 audit. It was also indicated that some parts of the accounts may be disclaimed if the auditors fell behind their timelines. Alex Walling confirmed to the committee that Bishop Fleming would be working to ensure that the deadlines were met and that the disclaiming of the 2023/24 accounts would be avoided if possible.

When asked about the deadline for the 2022/23 audit, the representatives from Bishop Fleming confirmed the dates were set out by the Department for Levelling Up, Housing and Communities for the 30 September.

The committee thanked the representatives of Bishop Fleming for their report and responses to their questions.

RESOLVED: to note the external audit plan 2023/24.

50 Regulation of Investigatory Powers Act 2000 (RIPA) annual review

The committee received the Regulation of Investigatory Powers Act 2000 (RIPA) annual review from the legal services manager, Pat Connell. The legal services manager outlined the report and highlighted to the committee that RIPA provided the framework for covert investigatory powers but that this had to be balanced against the Human Rights Act. In addition, she emphasised that covert intelligence would only be used where it was legal, necessary, and proportionate. She confirmed to the committee that neither South Oxfordshire nor Vale of White Horse District Councils had used the covert powers provided for in the Act.

The legal services manager informed the committee that the Investigatory Powers Commissioner's Office had inspected the councils' use of the powers provided for by RIPA and the Investigatory Powers Act and confirmed that they were satisfied, noting that the councils were limited users of these powers. She indicated that the next inspection would take place in 2027.

Members of the committee asked about if the councils had been subject to legal pressure due to their use of investigatory techniques and the legal services manager confirmed that they had not.

On a question about what council teams could use the covert surveillance powers, and if it could be used by the planning enforcement team specifically, the legal services manager responded that the powers could be used across the council for different purposes but only where it would be legal, necessary, and proportionate. In response to a further question about the deployment of drones for surveillance, she also indicated that a policy framework would need to be created and extensive training around RIPA would need to be provided before that technology would be considered for deployment.

The committee asked for clarity around the length of time between the issuing of warnings and the investigations as this could potentially give offenders opportunity to temporarily halt their activity for the time of the investigation. In response, the legal services manager confirmed that warnings were given, but that in each case the officers would be reasonable in how long they waited, noting that each case would be different. She agreed to provide more detail about this to the committee.

Members were satisfied with the proposed training schedule outlined for the heads of service, who would be trained to be RIPA authorising officers, and that this could bring more attention to the range of powers available to the councils.

In response to a question about how these powers were used by similar authorities, the legal services manager indicated that they did not have that data and so the committee encouraged officers to examine other authorities for benchmarking and to learn best practice in this area.

The committee was satisfied with the report and the recommendations, subject to the clarification that the head of legal and democratic would only be authorised to make minor administrative amendments to the policy and that the power to make larger changes would be reserved for the Joint Audit and Governance Committee.

RESOLVED: to:

- a) note that surveillance is one of the tools available to the councils as part of their law enforcement functions;
- b) note the council's use and compliance with the Regulation of Investigatory Powers Act 2000 (RIPA);
- c) approve the amendments made to the currently approved Regulation of Investigatory Powers Act 2000 Policy and Procedures, for use by council teams as part of their work;
- d) agree the conclusions of the head of legal and democratic's report and support the recommended actions in the action plan; and
- e) authorise the head of legal and democratic to make such minor administrative changes to the policy and procedures documents considered necessary from time to time to ensure ongoing compliance with the requirements of the 2000 Act and associated guidance.

51 Internal Audit Plan 2024/25

The committee received the internal audit plan 2024/25, presented by the internal audit and risk manager. The report explained the process for setting the internal audit plan and calculating the resources available. The internal audit and risk manager noted that the plan covered a 12-month period, to be reviewed at six months, but that it remained flexible to changes and risks throughout the year. She also highlighted that the plan was based on a number of factors, including risk profile and time since last review, and ensured that there was suitable internal audit coverage of the key corporate risk areas.

It was noted that software names (such as Idox) and acronyms could be described in the report for ease of access for members and residents. On the risk around Idox itself – the councils' planned replacement IT for planning and regulatory services – the committee was satisfied that there was a test programme in place ahead of it being rolled out.

In response to a question about whether she was satisfied that she had the resources to cover all the areas she would like, the internal audit and risk manager indicated that as they had a small audit team covering many different areas, prioritising audits was a necessity but that the most important and urgent risks were being audited.

Members asked about if there were any audits around the new office building proposed at Didcot Gateway, but the internal audit and risk manager responded that there had been no formal audit of this, although she was receiving updates on the project.

The committee, satisfied with the report and in the knowledge that the audit plan could be changed during the year to account for different risks, agreed to approve the internal audit plan 2024/25.

RESOLVED: to approve the internal audit plan 2024/25.

52 Code of Corporate Governance

The committee received the code of corporate governance report, presented by the head of finance. He highlighted that the annual governance statements were based on the local code of good governance and that the version adopted by the councils was outdated and needed revising. The head of finance highlighted that the draft code had incorporated the latest Chartered Institute of Public Finance and Accountancy guidance, had been through the Constitution Task Review Group, and was suggested to be recommend to full council meetings for adoption and inclusion in the constitution.

In response to a question about what members could do if they believed that the councils were not compliant with the code, the head of finance indicated that they should direct these concerns in the first instance to the councils' monitoring officer.

Overall, members welcomed the update and agreed that the revised code should be adopted by the councils.

Vale of White Horse District Council resolved to **RECOMMEND** to council that the revised local code of corporate governance be adopted by the council for inclusion in the council's constitution.

South Oxfordshire District Council resolved to **RECOMMEND** to council that the revised local code of corporate governance be adopted by the council for inclusion in the council's constitution.

53 Update on Statement of Accounts 2022/23

The committee received the update on the progress of the Statement of Accounts, presented by the head of finance. He informed members that the government had consulted on the implementation of a backstop date for publication of audited accounts, up to and including 2022/23 accounts, of 30 September 2024. He also reminder members that all accounts up to and including the 2021/22 accounts for both councils had been audited and published.

On the 2022/23 accounts, the head of finance indicated that the draft accounts had been published on the council's website and EY had begun auditing them and would come to the next committee meeting with a progress update. He noted that EY would likely provide their opinion on what could be completed by 30 September 2024, and what was not audited would likely be disclaimed.

The committee then receive the report on the 2023/24 accounts, which would be audited by the new external auditors, Bishop Fleming, the head of finance noted that the draft deadline for the publication of draft accounts remained the 31 May 2024. He confirmed to the committee that the council would aspire to meet the deadline but would not publish the accounts until they had been thoroughly checked. The head of finance also indicated that there had been little substantive

changes as regards to accounting requirements between the 2022/23 and 2023/24 accounts.

Looking ahead to the 2024/25 accounts, the head of finance highlighted that there would be a new leasing standard that would apply. Although he did not believe it would have a material impact on the councils, he noted that compliance with the standard would further increase the work of the councils' strategic finance team, and the external auditors. In response to a request for clarity around this change and about what leases the councils had, the head of finance indicated that the policy change would mean they would need to report on leases the councils had directly and also implicit leases in contractual arrangements, which could include waste vehicles used by the waste contractor. Although this would create additional work for the councils, the head of finance informed the members that they had recruited three additional resources to assist with both financial and management accounting, so the councils were in a better position.

The committee discussed the deadlines for the audits and the potential issues that could arise through the handover process from EY to Bishop Fleming. In particular, members discussed how much additional work Bishop Fleming might need to do should EY disclaim parts of their audit in order to meet the government deadline. The committee maintained concerns about the audit deadlines and potential disclaiming some of the more material items in the accounts, such as valuations of property and pension liabilities, in which there can be an element of subjectivity.

The committee, satisfied with the update and the need to approve the revised statement of accounting policies for 2023/24 accounts, agreed to the recommendations.

Vale of White Horse District Council **RESOLVED:** to

- (a) Note the progress on completing the 2023/24 Statement of Accounts;
- (b) Note the forthcoming accounting requirements, issued but not yet adopted, relating to IFRS16 Leases; and
- (c) Approve the revised statements of accounting policies as shown in Appendix two to the head of finance's report to apply in production of the 2023/24 Statement of Accounts.

South Oxfordshire District Council **RESOLVED:** to

- (a) Note the progress on completing the 2023/24 Statement of Accounts;
- (b) Note the forthcoming accounting requirements, issued but not yet adopted, relating to IFRS16 Leases; and
- (c) Approves the revised statements of accounting policies as shown in Appendix one to the head of finance's report to apply in production of the 2023/24 Statement of Accounts.

54 Work Programme

The committee noted its work programme and the democratic services officer informed the committee about the items that were scheduled to come to the next committee meeting, on 2 July 2024, and the meetings for the forthcoming municipal year.

In response to a suggestion about moving of some items away from the meeting on the 15 October to the statement of accounts meeting, the head of finance indicated that this would depend on how contentious the statement of accounts was looking to be. However, he confirmed that he would have discussions about this closer to the time with co-chairs of the committee.

RESOLVED: to note the work programme.

55 Corporate risk review

The committee received the corporate risk review, presented by the risk and assurance team leader. The report was the half yearly progress review of the corporate risk registers for South Oxfordshire District Council and Vale of White Horse District Council.

The risk and insurance team leader informed members that the report was a snapshot in time that was compiled using the councils' risk management process. She noted that the register took inputs from the councils' risk champions, heads of service, and service managers. Overall, she highlighted that there were 32 total risks. This included six new risks, and whilst three risks had increased their net risk score, two other risks had been mitigated, and a further two risks had their risk score reduced since the last report.

Members discussed the homeless mitigation risk and asked if by creating more temporary accommodation they were increasing risk in another area as the council lacked the expertise in managing housing stock. In response, the risk and insurance team leader agreed that the councils' housing stock was increasing but that they had managed two temporary accommodation houses successfully for a number of years and that the councils were recruiting more resources to the team with the necessary skills to manage the housing stock. The committee discussed its role and noted that managing the risks around housing would be dealt with by the Joint Audit and Governance Committee but questions around housing policy would be for the Scrutiny Committee to raise with Cabinet.

The committee enquired into the risk around corporate resilience and loss of personnel and corporate memory and agreed that the future risk registers should examine the risks around the failure of existing senior management team, the loss of senior management, and how turnover of staff could result in a loss of corporate memory.

Members raised the risk of new and existing contracts costing more than expected and stressed that this was a significant risk that should be in the register. The risk and insurance team leader indicated that not foreseeing increasing costs of contracts was in the register but noted that this was a valid risk and that officers would be examining projects to try to mitigate increasing contract costs.

On a question about if contract timelines would be considered on the corporate level to avoid a large number of contracts ending at once, the head of finance highlighted to members that work had been done to understand all the contract deadlines from different areas and that this was something the senior management team was considering.

In response to a question about the risk of general fraud, the risk and insurance team leader indicated that this could also be included on the register.

RESOLVED: to note the half yearly progress of the corporate risk registers.

56 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.

57 Corporate risk review

The committee discussed the confidential appendix to the report and agreed to invite the relevant officers to the next meeting of the committee, on 2 July 2024, to discuss the committee's questions on the appendix. Members also requested that the officers produce a report to be presented to the committee which would detail how the risks in that area were being mitigated.

The meeting closed at 8.42 pm

Chair

Date

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