

Minutes



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

**HELD ON MONDAY 27 JANUARY 2020 AT 6.30 PM
MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, OX14 4SB**

Present

Members:

South Oxfordshire District Councillors: Mocky Khan (Co-Chair, in the Chair), David Bartholomew (as substitute for Jane Murphy), Peter Dragonetti and George Levy
Vale of White Horse District Councillors: Simon Howell (Co-Chair, acting as Vice-Chairman), Eric de la Harpe, Amos Duveen and Andy Foulsham

Officers

Susan Baker, Steven Corrigan, Steve Culliford, Victoria Dorman-Smith, Simon Hewings, William Jacobs, Nilesh Parmar, Adrianna Partridge, Margaret Reed, Richard Spraggett, Mark Stone

Also present:

Malcolm Haines and Ken Suter (EY)

28 Apologies for absence

Councillor Jane Murphy had sent apologies for absence and had appointed Councillor David Bartholomew as her substitute.

29 Minutes

RESOLVED: to approve the minutes of the committee meeting held on 14 October 2019 as a correct record and agree that the Chairman signs them as such.

30 Declarations of interest

None

31 Urgent business and chairman's announcements

None

32 Public participation

None

33 Internal audit activity report - third quarter 2019/20

The committee considered the internal audit manager's report on internal audit activity during the third quarter of 2019/20.

The report showed that as at 31 December 2019, there had been two audits completed since the last committee meeting, one with a satisfactory assurance rating, the other with limited assurance. The latter related to the audit on elections and elections payments in 2019/20. Officers from the elections service were present to answer the committee's questions.

In answer to a question, the committee noted that following the forthcoming Police and Crime Commissioner election in May 2020, officers would undertake a contract procurement for a new elections training software package. Officers also reported that they had asked for additional information on the reasons why there had been some incorrect payments to elections staff and an update would be given at a future meeting.

RESOLVED: to note the internal audit activity report for the third quarter 2019/20.

34 Internal audit management report - third quarter 2019/20

The committee considered the internal audit manager's report on the management of internal audit during the third quarter of 2019/20. The committee noted that two planned audits had been delayed. Also, the internal audit manager had recruited to the two vacancies within her team.

RESOLVED: to note the internal audit management report for the third quarter 2019/20.

35 External auditor's audit results report 2018/19

The council's external auditor, EY, explained the reasons behind the delay in signing off the 2018/19 statement of accounts for both councils. The committee noted that it had taken longer than expected to obtain evidence for the areas requiring clarification. It was hoped that this work would be completed shortly.

RESOLVED: to note the external auditor's update.

36 Statement of Accounts 2018/19

From the previous minute item, the committee noted the reasons behind the delay in signing off the 2018/19 statement of accounts for both councils. It was hoped that this work would be completed shortly. The co-chairs asked to be kept informed on a weekly basis until this matter was resolved.

In order to allow the statement of accounts to be signed off in a timely fashion, it was proposed that the head of finance should be authorised to sign-off the accounts with co-chairs of the committee and EY. The committee concurred.

RESOLVED: to authorise the head of finance, following consultation with the committee's co-chairs, to sign off the 2018/19 statement of accounts for South Oxfordshire and Vale of

White Horse District Councils once the councils' external auditor, EY, is in a position to sign off the accounts.

37 Letter of Representation to the external auditor - South Oxfordshire

The committee noted that once the statement of accounts was signed off by the council's external auditor, the letter of representation from the committee's co-chair would have to be re-signed. As it was unclear when this would be, the committee agreed to authorise the letter to be re-signed at the appropriate time.

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 2018/19 have been signed-off.

38 Letter of Representation to the external auditor - Vale of White Horse

The committee noted that once the statement of accounts was signed off by the council's external auditor, the letter of representation from the committee's co-chair would have to be re-signed. The committee agreed to authorise the letter to be re-signed at the appropriate time.

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 2018/19 have been signed-off.

39 Annual Audit Letter 2018/19

As the statement of accounts for both councils had not been signed off, the external auditor, EY, had been unable to produce its annual audit letter 2018/19 for this committee meeting. This item would be deferred until the next meeting.

40 Treasury management mid-year monitoring 2019/20

The committee considered the interim head of finance's report, which monitored the councils' treasury management activities during the first six months of 2019/20. This showed that both councils had achieved higher treasury management income than anticipated during the period.

The report also set out details of a breach of South Oxfordshire's treasury management strategy resulting from a contradiction in the counterparty limits. The report recommended that the 2020/21 strategy was updated to correct this contradiction; the committee agreed.

RESOLVED: to

- (a) note the treasury management mid-year monitoring report 2019/20;
- (b) advise Cabinet that the committee is satisfied that the treasury management activities have been carried out within the treasury management strategy and policy; and

- (c) advise Cabinet that the committee supports the change to the South Oxfordshire treasury management strategy counterparty limits, as identified in paragraphs 21 and 22 of the interim head of finance's report.

41 Treasury management and investment strategy 2020/21 - South Oxfordshire

The committee considered the interim head of finance's report on the proposed treasury management and investment strategy for South Oxfordshire in 2020/21. The strategy included the changes to the counterparty limits discussed under the previous agenda item.

It was noted that although the joint committee often considered reports and made decisions affecting just one council, only South Oxfordshire councillors could vote on South Oxfordshire-only matters and only Vale councillors could vote on the Vale-only matters. The committee asked that this was clarified in the Constitution.

It was noted that the council's treasury management investments were governed by the Chartered Institute of Public Finance and Accountancy's code. Any change to the types of investments would need to be part of a review for 2021/22 strategy.

RESOLVED to recommend Cabinet to:

- (a) approve the South Oxfordshire treasury management strategy 2020/21, as set out in Appendix A of the interim head of finance's report;
- (b) approve the South Oxfordshire prudential indicators and limits for 2020/21 to 2022/23, as set out in Appendix A to the report; and
- (c) approve the South Oxfordshire annual investment strategy 2020/21, as set out in paragraphs 40 to 81 of Appendix A to the report, and the lending criteria detailed in table 5 of the report.

42 Treasury management and investment strategy 2020/21 - Vale of White Horse

The committee considered the interim head of finance's report on the proposed treasury management and investment strategy for the Vale in 2020/21.

RESOLVED to recommend Cabinet to:

- (a) approve the Vale's treasury management strategy 2020/21, as set out in Appendix A of the interim head of finance's report;
- (b) approve the Vale's prudential indicators and limits for 2020/21 to 2022/23, as set out in Appendix A to the report; and
- (c) approve the Vale's annual investment strategy 2020/21, as set out in paragraphs 40 to 81 of Appendix A to the report, and the lending criteria detailed in table 5 of the report.

43 Work Programme

The committee reviewed its work programme.

44 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 paragraphs 1-7 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.

45 Governance Update: work hours, work practices and councillor training

The committee received an update on governance arrangements and agreed to further councillor training.