

Minutes



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON TUESDAY 22 SEPTEMBER 2020 AT 6.30 PM
THIS WAS A VIRTUAL, ONLINE MEETING.

Present

Members:

South Oxfordshire District Councillors: Mocky Khan (Co-chair, in the chair), Peter Dragonetti, George Levy, and Jane Murphy

Vale of White Horse District Councillors: Amos Duveen, Andy Foulsham, Simon Howell and Mike Pighills

Officers

Lee Brown, Steve Culliford, Victoria Dorman-Smith, David Fairall, Simon Hewings, Paul Howden, Sarah James, Margaret Reed, and Bertie Smith

Also present:

Malcolm Haines and Kevin Suter (EY)

Councillors Andy Crawford and Debby Hallett (Vale of White Horse District Council)

13 Apologies for absence

None

14 Co-chair of the committee

Councillor Simon Howell had stood down as co-chair of the committee after eight years. The committee thanked him for his work.

The committee was asked to appoint a new co-chair to represent the Vale of White Horse.

RESOLVED: to appoint Councillor Andy Foulsham as co-chair of the committee representing Vale of White Horse District Council.

15 Minutes

RESOLVED: to adopt as a correct record the minutes of the committee meeting held on 13 July 2020 and agree that the co-chair signs them as such.

16 Declarations of interest

None

17 Urgent business and chairman's announcements

None

18 Public participation

None

19 Internal audit plan 2020/21

The committee considered the internal audit manager's report, which proposed the audit plan for 2020/21. The report had been considered by the committee at its last meeting, during which councillors supported the proposed audit plan for 2020/21. However, following the meeting, it became apparent that, due to a technical problem, the live streaming of this part of the meeting had failed and that the debate and decision to approve the audit plan was not available for the public to view online. This meant the councils were not meeting The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No.392, which had been issued under Section 78 of the Coronavirus Act 2020. Therefore, the committee could not formally resolve to approve the audit plan. Following that meeting, the co-chairs concluded that as committee members had supported approval of the audit plan in good faith, the internal audit manager could proceed with implementing the audit plan for 2020/21. However, the co-chairs also concluded that the committee should be asked to confirm its approval of the audit plan at its next meeting. Therefore, the report was placed on the agenda to seek to committee's confirmation.

The committee supported the internal audit plan for 2020/21 and the action taken above.

RESOLVED: to approve the internal audit plan for 2020/21.

20 Internal audit activity report quarters 1 and 2, 2020/21

The committee considered the internal audit manager's report, which summarised the outcomes of internal audit activity at both councils during quarters 1 and 2 of 2020/21.

The committee reviewed the report and the main issues arising and sought assurance that action had been or would be taken. The report set out the detail of two audits with limited assurance ratings.

Housing benefit and council tax reduction scheme 2019/20

To conduct the audit, officers had selected a specific sample of outstanding housing benefit overpayment invoices, being twenty from each council. Fifteen of the forty selected in the sample were found to be efficiently processed. The committee questioned the process for selecting this sample and suggested that more random sampling should be used in future to give more accurate results.

The internal audit manager agreed to review the sampling methodology and produce a follow-up report.

Pro-active anti-fraud review 2019/20

The committee noted that the same process was used at both councils to test controls in the anti-fraud process.

RESOLVED: to

- (a) note the internal audit manager's report on internal audit activity at both councils during the first and second quarters of 2020/21; and
- (b) request a follow-up report on the sampling methodology used in the housing benefit and council tax reduction scheme 2019/20 audit, and on whether the audit results would change if more random sampling is used.

21 Internal audit management report quarters 1 and 2, 2020/21

The committee considered the internal audit manager's management report for the first and second quarters of 2020/21. This set out progress against the audit plan and summarised the priorities for the third quarter of 2020/21.

RESOLVED: to note the internal audit manager's management report for the first and second quarters of 2020/21.

22 Annual report on the councillors' code of conduct for 2018-19 and 2019-20

The committee considered the monitoring officer's annual report on the code of conduct for both 2018/19 and 2019/20. This updated the committee on code of conduct work, including the number of district and parish code of conduct complaints processed. The report also included information on significant potential changes to the code of conduct regime.

The committee noted that there had been an increase in the number of complaints against parish councillors, particularly in the run up to the last parish council elections. The committee also noted that a new model code of conduct was expected this autumn, following which a further report would be brought to the committee on changes required to the code.

The committee considered that it had a responsibility to help reinforce proper behaviour by district and parish councillors by reminding them of the code's requirements and of the Nolan principles contained within. The committee considered that parish councillors should be reminded of their responsibilities now, rather than waiting for the new code to be adopted. Training would be offered once the new code was adopted.

RESOLVED: to

- (a) note the annual report on the councillors' code of conduct for the 2018/19 and 2019/20 municipal years; and

- (b) issue a reminder to parish councillors of their responsibilities under the code of conduct.

23 Regulation of Investigatory Powers Act 2000 - policy and procedures

The committee considered the head of legal and democratic's report on how the councils had deployed and would seek to deploy the use of covert surveillance in enforcement work, having regard to the principles of necessity, proportionality and lawfulness. The report reviewed the policy and procedures and sought endorsement of a revised document, designed to ensure compliance with the requirements of the Regulation of Investigatory Powers Act 2000.

The committee welcomed the report and supported the revised policy and procedures.

RESOLVED: to

- (a) note that surveillance is one of the tools available to the councils as part of their law enforcement functions;
- (b) endorse the Regulation of Investigatory Powers Act 2000 Policy and Procedures document, for use by council teams as part of their work; and
- (c) authorise the head of legal and democratic to make such changes to the policy and procedures document, as considered necessary from time to time to ensure ongoing compliance with the requirements of the 2000 Act and associated guidance.

24 Review of complaints received 2018-19 and 2019-20

The committee considered the interim head of corporate services' report, which reviewed the formal complaints received during 2018/19 and 2019/20 in line with the corporate complaints' procedure.

The committee reviewed the report and noted its contents.

RESOLVED: to note the review of formal complaints received in 2018/19 and 2019/20.

25 Statement of accounts 2018/19 and 2019/20

The interim head of finance gave a verbal update on progress with signing off the 2018/19 statement of accounts. The accounts were expected to be signed off shortly, with the only remaining issue being the need to clarify the councils' liquidity as a going concern as a result of its work on the Covid-19 pandemic.

The committee also received a verbal report from the interim head of finance and the external auditor, EY, that work on auditing the statement of accounts for 2019/20 would commence in October.

The committee noted these updates.

26 External auditor's audit planning reports for South Oxfordshire and Vale of White Horse

The councils' external auditor, EY, presented to the committee the audit planning reports for 2019/20—one for South Oxfordshire; one for the Vale. The report highlighted similar issues that EY would be concentrating on in their 2019/20 audits. These included risks to the councils' financial statements from fraud or error, the proper accounting treatment of revenue, property valuations and property income projections, and the correct accounting of the pension liability. The audits would also assess value for money of matters such as the Five Councils' Partnership corporate services contracts and the withdrawal of some services from that contract.

RESOLVED: to note the external auditor's audit planning reports 2019/20 for South Oxfordshire and the Vale.

27 Treasury outturn 2019/20

The committee considered the interim head of finance's report on the management and outturn of the councils' treasury activity during 2019/20. The committee noted that performance had exceeded the target returns for both councils and that this had been achieved within the treasury management strategy and policy, and within the Prudential limits approved by both Councils.

The committee welcomed the report but questioned what would be the effect of negative interest rates on the councils' treasury activities. The committee asked officers to investigate this scenario and report back to the next meeting.

RESOLVED: to

- (a) note the treasury management outturn report 2019/20;
- (b) advise Cabinet that the committee is satisfied that the treasury activities during 2019/20 have been carried out in accordance with the treasury management strategy and policy; and
- (c) ask officers to investigate the impact negative interest rates would have on the council's treasury management activities and report back to the next meeting.

28 Audit and governance work programme

The committee reviewed and updated its work programme.

The committee agreed to meet next on Thursday 26 November 2020 to consider reports on:

- progress with signing off the 2018/19 statement of accounts;
- the potential impact of negative interest rates on the council's treasury management activities; and
- the Redmond review into local government financial reporting and external audit.

The meeting closed at 8pm
Chairman

Date