

Minutes



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON THURSDAY 26 SEPTEMBER 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, Axel Macdonald, Leigh Rawlins and Tony Worgan

Vale of White Horse District Councillors: Oliver Forder, Mike Pighills, Judy Roberts and Andrew Skinner

Independent member: Mike Boon

Officer: Steven Corrigan (Democratic Services Manager)

Remote attendance:

Officers: Simon Hewings (Head of Finance), Susie Royse (Broadcasting Officer)

71 Chair's announcements

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

72 Election of chair

Councillor Oliver Forder was elected Chair for this meeting in the absence of both co-chairs.

73 Apologies for absence

Apologies for absence were received from Councillor Mocky Khan, with Councillor Axel Macdonald attending as substitute, and Councillor Emily Smith, with Councillor Mike Pighills attending as substitute.

74 Minutes

RESOLVED: to approve the minutes and the confidential minutes of the meeting held on 9 July 2024 as a correct record and agree that the Chair signs them as such.

75 Declarations of interest

There were no declarations of interest.

76 Urgent business

There was no urgent business.

77 Public participation

There was no public participation.

78 Statement of accounts 2022/23

The committee considered the report of the head of finance on the process of finalising the 2022/23 Statement of Accounts, including the Annual Governance Statements.

Simon Hewings, Head of Finance, introduced the report and provided an update on the situation regarding the external audit of the 2022/23 accounts. He advised that the previous government had announced a plan to get local audit back on track, and this included “backstop” dates for audits of prior year accounts by which audits had to be completed, or the audit of the accounts would be “disclaimed” by the auditors. As set out in the letter from the Ministry of Housing, Communities & Local Government, attached to the report, the new government had effectively reconfirmed the plan initiated by the previous government but, due to the general election, the backstop date for 2022/23 and earlier accounts had slipped and was now 13 December 2024, subject to the necessary legislation.

The backstop date originally announced for the accounts for the financial years 2022/23 and before was 30 September 2024. The only South and Vale accounts caught by this backstop were the 2022/23 accounts, and therefore an additional meeting of this committee was arranged for this evening to receive and agree these accounts.

Following discussions with EY, their intention was to issue a disclaimed opinion on the 2022/23 accounts of both councils which would mean the audit of the accounts would be very limited with no detailed audit testing of account balances and limited to work required under auditing standards, and reviewing the councils’ approach to ensuring economy, efficiency and effectiveness. This suggested approach, whilst considerably different from normal practice, was the mechanism by which the government was trying to facilitate the clearing of the backlog.

In response to questions the head of finance confirmed that a significant number of local authorities were impacted by the backlog and would be receiving disclaimed opinions. He considered that, whilst far from ideal, that there were limited risks and that if any issues were identified these could be brought to a committee meeting prior to the deadline. The main risk would be that without a detailed audit the starting balance for future audits could be incorrect. Officers were confident in the figures provided in the accounts. Previous points identified by the auditors included the valuations of council owned property and an understatement of the value of Community Infrastructure Levy funds. Both the Statement of Accounts and Annual Governance Statements had been published on the council websites and the required public inspection period had passed.

Committee members expressed the view that, in the circumstances, the proposed approach was both pragmatic and sensible to address the audit backlog. Views were expressed regarding the need for reform of the audit regime to reduce the scale of the audits to specific areas. The committee noted that the backstop date for the approval of the 2023/24 statement of Accounts was 28 February 2025 and that an additional meeting of the committee would be arranged prior to this deadline. Due to the tight deadline the view was expressed that there was potential for a further disclaimed opinion on the 2023/24 accounts.

RESOLVED:

1. To note the report.

South Oxfordshire District Council **RESOLVED:** to

1. To receive the 2022/23 Statement of Accounts for South Oxfordshire District Council and to authorise to the Head of Finance in consultation with the co-chairs to approve the accounts following the conclusion of the external audit,
2. To approve the 2022/23 Annual Governance Statements, which form part of the statement of accounts, and
3. To authorise the Head of Finance, in consultation with the co-chairs, to sign the letters of representation required as part of the 2022/23 external audit process.

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

1. To receive the 2022/23 Statement of Accounts for Vale of White Horse District Council and to authorise to the Head of Finance in consultation with the co-chairs to approve the accounts following the conclusion of the external audit,
2. To approve the 2022/23 Annual Governance Statements, which form part of the statement of accounts, and
3. To authorise the Head of Finance, in consultation with the co-chairs, to sign the letters of representation required as part of the 2022/23 external audit process.

79 Work Programme

The committee considered it's work programme. The committee noted that the following items would be considered at an additional meeting scheduled for 25 November 2024:

- Internal audit update report - Q2 review
- Corporate risk review
- Review of the Joint Audit and Governance Committee's Terms of Reference

In addition, the committee noted that an additional meeting would be required in February 2025 to approve the Statement of Accounts 2023/24 by the deadline of 28 February 2024.

RESOLVED: to note the work programme with the updates as set out in the minutes of the committee meeting of 26 September 2024.

The meeting closed at 7.08pm
Chair

Date