

Minutes



OF A MEETING OF THE

Joint Audit and Governance Committee

HELD ON MONDAY 26 SEPTEMBER 2016 AT 6.30 PM
MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON,
OX14 4SB

Present

Members:

South Oxfordshire District Councillors: Charles Bailey, Kevin Bulmer (Chairman), David Dodds (in place of John Walsh) and Alan Thompson
Vale of White Horse District Councillors: Debby Hallett (in place of Dudley Hoddinott), Simon Howell, Chris Palmer and Henry Spencer

Officers: Rhona Bellis, Yvonne Cutler-Greaves, Andrew Down, Adrian Duffield, Simon Hewings, Fiona Kaluza, William Jacobs, Nilesh Parmar, Adrianna Partridge, Margaret Reed, Ron Schrieber and Sally Truman

Also present: Councillor Robert Simister (SODC) and Adam Swain (EY)

16 Apologies

Dudley Hoddinott and John Walsh tendered apologies.

17 Declarations of interest

None.

18 Minutes

RESOLVED: to adopt as a correct record the minutes of the meeting held on 4 July 2016 and agree that the chairman signs them as such.

19 Urgent items

None.

20 Statements, petitions and questions received from members of the public

None.

21 Audit Results Report 2015-16

The committee considered the external auditor's 2015/16 audit reports for South Oxfordshire and Vale of White Horse District Councils.

Adam Swain, of EY, reported that one unadjusted audit difference had been identified in the South Oxfordshire draft financial statements and that, with regard to value for money, the tendering for a new corporate services contract with three other local authorities had been identified as a significant risk for both Councils.

EY had concluded that both Councils had put in place appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources in 2015/16.

RESOLVED: to note the annual audit report from the external auditor.

22 Statement of accounts 2015/16

The committee considered the South Oxfordshire and Vale of White Horse statements of accounts 2015/16. These set out the financial statements required to meet the international financial reporting standards, guidance from the external auditor, and guidance from the Chartered Institute of Public Finance and Accountancy.

The head of finance had approved the 2015/16 statements of accounts for both South Oxfordshire and Vale of White Horse District Council for external audit on 24 June 2016, ahead of the required deadline of 30 June. The audit of those statements had now been completed. Following an informal training session for members of this committee, revised statements were now presented to the committee for approval.

A typographical error on the Vale statement was corrected at the meeting.

RESOLVED: to

- (a) approve the statement of accounts for South Oxfordshire District Council for 2015/16, as amended, for signature by the chairman of this meeting of the committee.
- (b) approve the statement of accounts for Vale of White Horse District Council for 2015/16, as amended, for signature by the chairman of this meeting of the committee and by the co-chairman from Vale of White Horse District Council.

23 Annual governance statement 2015/16 - South Oxfordshire

The committee considered the annual governance statement for 2015/16. This set out how the council had met the requirements of good governance over the year, and suggested areas for improvement in 2016/17.

RESOLVED: to approve South Oxfordshire District Council's annual governance statement 2015/16 to form part of the statement of accounts.

24 Annual governance statement 2015/16 - Vale of White Horse

The committee considered the annual governance statement for 2015/16. This set out how the council had met the requirements of good governance over the year, and suggested areas for improvement in 2016/17.

RESOLVED: to approve Vale of White Horse District Council's annual governance statement 2015/16 to form part of the statement of accounts.

25 Letter of representation to the external auditor - South Oxfordshire

The committee considered the letter of representation to the external auditor, as part of the process in completing the statement of accounts.

RESOLVED: to agree that the chairman of this committee meeting sign the letter of representation to the external auditor.

26 Letter of representation to the external auditor - Vale of White Horse

The committee considered the letter of representation to the external auditor, as part of the process in completing the statement of accounts.

RESOLVED: to agree that the co-chairman from the Vale of White Horse District Council sign the letter of representation to the external auditor.

27 Internal audit activity report - second quarter 2016/17

The committee considered the audit manager's report on internal audit activity during the second quarter 2016/17. This summarised the outcomes of recent audit activity. Five audits had been completed during the quarter, one of which, regarding joint risk management 2016/17, had received limited assurance.

Joint Risk Management 2016/17

The committee considered the main findings and recommendations of the internal audit report. Unfortunately, a small section of the report had been omitted from the printed copies so would be recirculated to members.

In response to members' questions, the committee was advised that:

- Internal audit carried out a six monthly follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations were followed up as part of the annual assurance cycle.
- The corporate services outsourcing had resulted in a reduction in the number of Council staff. This meant that if staff were diverted to a one off event, e.g. a snap general election, there was an increased risk of other essential work not being completed.

- The current risk management strategy was under review and would be submitted to the committee's March 2017 meeting for approval.

Vale of White Horse, West Way, Botley, August 2016

The committee considered the findings from an investigation conducted by internal audit in relation to the West Way development, Botley.

The investigation had concluded that:

- There were some minor control weaknesses with the end to end consultation process, and internal audit had identified concerns with the analysis of the consultation responses. Whilst internal audit did not consider the concerns significant enough to change the overall outcome of the consultation report, it concluded that the council's analysis of the responses was not executed effectively, it was not well presented and the consultation report was open to different interpretations.
- Whilst no illegality had occurred, there had been communication, information sharing and decision making at a cabinet, committee and councillor briefing level which indicated a conflict of interest and/or the appearance of bias. It was identified that five councillors discussed and made decisions in relation to planning and property matters concerning the West Way development.

The committee was advised that the heads of planning and legal and democratic services had accepted the recommendations and had already taken steps to implement them.

Overdue recommendations

Appendix 2 to the report summarised all overdue recommendations within each service area.

The committee was informed that, due to a re-allocation of recommendations from corporate strategy and leisure to HR, IT, technical services, economy, property and corporate policy, the former's overdue recommendations had fallen from 38% to zero whilst the latter's had increased from 45 to 50%. In addition, the implementation of recommendations by planning services had resulted in a reduction from 91 to 75% in its overdue recommendations.

The head of planning reported on the steps his service was taking to implement overdue recommendations and assured the committee that this would be reflected in the statistics in the next few months.

RESOLVED: to note the internal audit management report for the second quarter of 2016/17.

28 Internal audit management report quarter two 2016/2017

The committee considered the assurance manager's management report on internal audit for the second quarter of 2016/17.

The report also detailed the flexible allocation that had been made for 5 councils' partnership assurance work as agreed with the external auditor.

RESOLVED: to note the internal audit management report for the second quarter of 2016/17.

29 Audit and governance work programme

The committee reviewed and noted its work programme which set out matters scheduled for consideration at future meetings.

It was noted that the risk management strategy would be submitted to the March 2017 meeting.

30 Exclusion of the public including the press

RESOLVED: that in accordance with Section 100A(4) of the Local Government Act 1972, the public, including the press, be excluded from the remainder of the meeting to prevent the disclosure to them of exempt information, as defined in Section 100(I) and Part 1 of Schedule 12A, as amended, to the Act when the following item is considered.

31 Application of restrictions imposed by Section 157 of the Housing Act 1985 in South Oxfordshire - consideration of the local government ombudsman's report

The committee considered the further report of the local government ombudsman on two complaints from South Oxfordshire residents concerning a restriction on the sale of properties under s157 of the Housing Act 1985.

Councillor Robert Simister addressed the committee.

RESOLVED: to not accept the local government ombudsman's recommendations and refer them to the South Oxfordshire Council meeting for consideration.

The meeting closed at 8.00 pm

Chairman

Date