

**Minutes**

OF A MEETING OF THE

**Joint Audit and Governance Committee**

HELD AT 6.30 PM ON MONDAY 21 MARCH 2016

MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON,  
OX14 4SB**Present**

Kevin Bulmer, Dudley Hoddinott, Simon Howell, Chris Palmer, Henry Spencer, Alan Thompson and John Walsh

**Officers**

Simon Hewings, William Jacobs, Fiona Kaluza, Nilesh Parmar, Adrianna Partridge, Margaret Reed, Ron Schrieber, Marcia Slater and Michelle Yankah

**Also present:**

EY Auditor: Adam Swain

**49 Apologies**

Charles Bailey tendered apologies.

**50 Declarations of interest**

None.

**51 Minutes**

**RESOLVED:** to adopt as correct records the minutes of the meetings held on 25 January and 22 February 2016 and agree that the chairman signs them as such.

**52 Review of code of conduct complaints procedures**

The committee considered a report on the arrangements for panels to determine code of conduct complaints referred by the monitoring officer and revised procedures for and information on dealing with such complaints.

The committee suggested an amendment to the flow chart attached to the code of conduct complaints fact sheet (Appendix 2 to the report) to make clear that any requests for confidentiality would be dealt with during the initial overview.

**RESOLVED:** to recommend the South and Vale Audit and Governance Sub-Committees to:

- (a) appoint (on an ongoing basis until May 2019) complaints panels comprising three members of the sub-committee or their appointed substitutes to determine code of conduct complaints referred by the monitoring officer;
- (b) appoint each member or substitute of the sub-committee to serve on any complaints panel which is convened so as to include her or him in its membership;
- (c) agree that wherever possible, a panel should comprise the chairman or vice-chairman of the sub-committee plus two other members of the sub-committee, but that this should not affect the principle that any three members of the sub-committee will constitute a properly appointed panel;
- (d) authorise the head of legal and democratic services to convene panels to consider code of conduct complaints having regard to members' availability and eligibility to take part;
- (e) adopt the revised procedures for dealing with code of conduct complaints set out in appendix one to the report with effect from 1 April 2016 (and subject to further review in 2019);
- (f) authorise the monitoring officer to make minor amendments to the procedures including minor or consequential amendments required for clarification, consistency and compliance with the councils' style guide; and
- (g) subject to the suggested amendment detailed above, note the revised document entitled *Code of conduct complaints: fact sheet* set out in appendix two to the report that will continue to provide information for members of the public when making code of conduct complaints.

### **53 Internal audit activity report - fourth quarter 2015/16**

The committee considered the assurance manager's report on internal audit activity during the fourth quarter of 2015/16.

Twelve audits had been completed since the January committee meeting. Of these, six had received limited assurance and the key points and findings were presented to the committee.

The committee requested the internal auditors ensure that, in future, the wording of audit recommendations be sufficiently precise to ensure best practice will be adopted.

### **Joint neighbourhood planning grants**

The committee requested that:

- with regard to post funding checks, confirmation that all the funding allocated was used on developing the neighbourhood plan should be provided by the town/parish council's responsible financial officer.
- officers confirm the numbers of grants awarded and their value in both 2015/16 and 2014/15;
- spot checks of an approved funding application and one in progress be carried out;
- details of which town/parish councils had or had not confirmed that funding had been used on developing their neighbourhood plan be circulated to members for information; and
- the new procedure for neighbourhood planning grant applications, including following the approval of area designations/decision statements, be circulated to members for information.

### **South Oxfordshire and Vale of White Horse District Councils' creditor payments 2015/16**

In response to members' questions the head of finance reported that:

- errors identified were mainly due to users (both council and capita staff) not following the correct procedures rather than problems with the Agresso financial system;
- compulsory training sessions had been introduced for all Agresso system users; and
- more sample checking would be carried out once staff were fully trained to determine the extent of duplicate payments.

### **Joint payroll 2015/16**

In response to members' questions the HR business support manager reported that:

- it was intended to reconcile the establishment list and the payroll system on a monthly basis;
- whilst the normal process was to obtain two references for all new starters there were instances where the recruitment manager chose to proceed with the appointment with just one reference, for example, on the grounds of urgency.
- as part of the corporate services contract, Capita would be responsible for both HR and payroll from 1 August.

**RESOLVED:** to

- (a) note the internal audit activity report for the fourth quarter of 2015/16;
- (b) request that Capita's contract manager attend the next committee meeting to explain what has caused the control environment issues identified within recent audit reports and elsewhere, and what has been done to address these; and

- (c) request that the project manager for the outsourcing project or his/her representative attend the next committee meeting to report on how the committee can gain assurance of the control environment following the outsourcing of corporate services functions.

#### **54 Internal audit management report - fourth quarter 2015/16**

The committee considered the assurance manager's management report on internal audit for the fourth quarter of 2015/16.

With regard to the remaining 2015/16 planned audit work set out at appendix 2 to the report, the committee expressed concern at the delay in receiving management responses to the project management audit.

**RESOLVED:** to

- (a) note the internal audit management report for the fourth quarter of 2015/16; and
- (b) request that the audit report on project management be submitted to the next meeting.

#### **55 Internal Audit Plan 2016/17**

The committee considered the assurance manager's report which explained the process for setting the internal audit plan and for calculating the resources available and which set out the proposed internal audit plan for 2016/17.

**RESOLVED:** to approve the internal audit annual plan 2016/17.

#### **56 Vale of White Horse and South Oxfordshire District Councils' Audit Plan 2015/16**

The committee considered Ernst & Young's audit plan 2015/16 which set out how they intended to carry out their responsibilities as the councils' external auditor.

No significant financial statement risks had been identified other than the general risk of management override. In addition, the corporate services contract had been identified as a significant value for money risk.

**RESOLVED:** to note the Vale of White Horse and South Oxfordshire District Councils' audit plan 2015/16.

#### **57 Local government audit committee briefing**

The committee considered the external auditor's briefing document and agreed that future briefings should be circulated to members for information.

**RESOLVED:** to note the local government audit committee briefing.

## 58 Statement of accounts 2015/16

The committee considered a report on progress being made towards the completion of the 2015/16 statement of accounts and which presented revised statements of accounting policies for approval.

The committee was informed that there were two key changes to the financial statements for 2015/16. These were:

- the adoption of IFRS 13 Fair Value Measurement into the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (“the Code”), and
- the replacement of the explanatory foreword to the accounts by a narrative statement, as required by the Accounts and Audit Regulations 2015.

The committee noted the work being undertaken to achieve a faster closedown of the accounts.

**RESOLVED:** to

- (a) note progress on completing the 2015/16 statement of accounts; and
- (b) approve the revised statements of accounting policies as shown in Appendix 1 (South Oxfordshire District Council) and Appendix 2 (Vale of White Horse District Council).

## 59 Audit and governance work programme

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

The committee was informed that the 2015/16 treasury management outturn report, which had been scheduled for the September meeting, would now be submitted to the committee in July.

The meeting closed at 8.05 pm

Chairman

Date