

# Joint Audit and Governance Committee

Report of Assurance Manager

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To: Joint Audit and Governance Committee

DATE: 26 September 2016

## Internal audit activity report quarter two 2016/2017

### Recommendation

That members note the content of the report

### Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity at both councils for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Adrianna Partridge, Assurance Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422485.

### Strategic Objectives

3. Managing our business effectively.

## Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the council's objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

**Full assurance:** There is a good system of internal control designed to meet the system objectives and the controls are being consistently applied.

**Substantial assurance:** There is a sound system of internal control designed to meet the system objectives and the controls are being applied.

**Satisfactory assurance:** There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

**Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

**Nil assurance:** Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

**High Risk:** Fundamental control weakness for senior management action

**Medium Risk:** Other control weakness for local management action

**Low Risk:** Recommended best practice to improve overall control

## 2016/2017 Audit Reports

7. Since the last audit and governance committee meeting, the following audits and follow up reviews have been completed:

### Completed Audits

Full Assurance: 0

Substantial Assurance: 2

Satisfactory Assurance: 2

Limited Assurance: 1

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	Agenda Item 12		
						No. Agreed	Low Risk Recs.	No. Agreed
<b>Joint</b>								
Gifts and Hospitality 1617	Substantial	1	0	0	1	1	0	0
Risk Management 1617	Limited	14	8	8	4	4	2	2
Safeguarding Children & Young People and Vulnerable Adults 1617	Substantial	3	0	0	1	1	2	2
Training and Development 1617	Satisfactory	1	1	1	0	0	0	0
Comments and Complaints 1617	Satisfactory	5	0	0	4	4	1	1
<b>VWHDC Investigation</b>								
West Way Botley August 2016	N/A	13	6	6	4	4	3	3

### Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>Joint</b>						
Partnership Performance Monitoring	Limited	4	0	0	4	0

8. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to committee
9. Members of the committee are asked to seek assurance from the internal audit reports and/or respective managers that the agreed actions have been or will be undertaken where necessary.
10. A copy of each report has been sent to the appropriate service manager, the strategic management board, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the councils' intranet.
11. Internal audit continues to carry out a six month follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

## **Overdue Recommendations**

12. **Appendix 2** of this report summarises all overdue recommendations within each service area. The report has been circulated to the relevant service manager, heads of service, the strategic management board and the portfolio holder.

## **Financial Implications**

13. There are no financial implications attached to this report.

## **Legal Implications**

14. None.

## **Risks**

15. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
ASSURANCE MANAGER

## APPENDIX 1

**1. JOINT RISK MANAGEMENT 2016/2017****1. INTRODUCTION**

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to risk management. The audit has a priority score of 28. The draft report was issued on 21 June 2016 and the final report was issued on 13 July 2016.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- adequate policies, procedures and guidance notes are in place for risk management;
  - the risk management process is in line with best practice;
  - all appropriate members and officers have received risk management training;
  - the risk management process is embedded within councils' processes;
  - risk identification, management and analysis processes are operating effectively;
  - adequate risk management performance and management reporting processes are in place.

**2. BACKGROUND**

- 2.1 Risk can be defined as the combination of the probability of an event and its consequences. In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). Risk management is a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attaching to their activities, with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.
- 2.2 Each service area has in place an operational risk register, which either the heads of service or a nominated officer should be reviewing regularly. The strategic management board should be regularly reviewing the strategic risks. Both of these activities include the development of risk mitigation actions designed to reduce the likelihood and/or consequences of adverse events occurring and preventing the councils' from achieving its corporate priorities. The councils' approach to risk management, according to the Constitution, is overseen by the joint audit and governance committee.

**3. PREVIOUS AUDIT REPORTS**

- 3.1 SODC  
Risk management was last subject to an internal audit review in August 2012 and eight recommendations were raised. Of the eight recommendations, four were agreed and a satisfactory assurance opinion was issued.

3.2 Of the four recommendations, one has been implemented and three recommendations are no longer applicable and have been superseded. No joint recommendations have been restated as part of this review.

3.3 VWHDC  
Risk management was last subject to an internal audit review in August 2012 and nine recommendations were raised. Of the nine recommendations, five were agreed and a satisfactory assurance opinion was issued.

3.4 Of the five recommendations, one has been implemented and four recommendations are no longer applicable and have been superseded. No joint recommendations have been restated as part of this review.

#### 4. 2016/2017 AUDIT ASSURANCE

4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

4.2 14 joint recommendations have been raised in this review. Eight high risk, four medium risk and two low risk.

#### 5. MAIN FINDINGS

##### 5.1 Policies, procedures and guidance notes

5.1.1 A risk management strategy 2013-2016 is in place and was approved by the audit and governance committee in July 2013 (SODC) and June 2013 (VWHDC). The strategy is available to all officers via the councils' intranet; however review found that the strategy is not in line with best practice.

5.1.2 In support of the risk management strategy, detailed guidance have been developed on the following areas:-

- identifying equality and diversity related risks;
- risk management process;
- risk register;
- partnership risks.

Review found that the guidance required updating as they were last reviewed between 2009 and 2011. It was also established that currently there is no guidance in place for undertaking risk assessments prior to all projects or an impact guide to assist in scoring the potential risk.

5.1.3 Raising the awareness of risk management to new officers is not occurring as risk management is not part of corporate induction. It is however part of the employees' handbook. Currently within service areas there are no risk champions to review their operational risk register and make staff risk aware. Also, a risk management working group has not been developed to meet on a regular basis to discuss and exchange ways of better managing risks. It is noted that there was no specific risk management resource from November 2013, but a new risk and insurance officer post started in April 2016 when the responsibility for risk management moved to finance.

5.1.4 Area assurance: Limited

Four recommendations have been made as a result of our work in this area (Recs 1, 2, 3 & 4).

5.2 **Best practice**

5.2.1 In December 2013, CIPFA published audit committee in local authorities and police guidance, which sets out CIPFA's best practice guidance of the roles and responsibilities of the audit committees and states that one of the core functions of the committee is risk management. Review of the roles and functions of the councils' audit and governance committee confirmed that the committee has responsibility for ensuring risk management operates effectively at the councils. Risk management updates were reported annually to the committee, however review of committee reports found that a risk management update report last went to committee in March 2014 and the report did not give the committee appropriate and full information to fulfil their duties.

5.2.2 The risk management standards, produced by the Institute of Risk Management (IRM), sets out best practice guidance for the whole risk management process, including having a designated risk officer in place. In April 2016, the councils appointed a designated risk officer who replaced the officer that left in November 2013. The standards also gives details of the role and responsibilities of the risk officer, which review of the risk officer's job description confirmed that roles and responsibilities are in line with best practice.

5.2.3 Assurance has currently not integrated its processes in line with the risk management process. The current risk register cannot be relied upon to develop the annual audit plan, individual audit terms of reference and audit working papers. However, risk is considered when developing the audit plan as it determines the priority of the audits to undertake in coming year. Any risks identified during the audit review and recommended actions made are also not fed back into the risk management process and entered onto the appropriate risk register. A dedicated risk officer is now in place and is currently developing a new risk management framework, which will include ensuring that the risk registers are up-to-date, regularly reviewed and any significant risks identified in the audit review, are added onto that service area's risk register.

5.2.4 IRM risk management standards also include details which should be considered when developing a risk register. Review of the risk register template for both SODC and VWHDC confirmed that the risk register meets best practice requirements. However, it is proposed that the risk register templates are reviewed and updated to make it more user friendly.

5.2.5 Area assurance: Limited

Three recommendations have been made as a result of our work in this area (Recs 5, 6 & 7).

**5.6 Risk management performance reporting**

5.6.1 Roles and responsibilities are clearly stated in the risk management strategy, which is available on the intranet. Review of the operational risk register found that they are not reviewed on a regular basis or reported to the designated risk officer. The strategic management board (SMB) also does not receive risk management update reports on a regular basis, but it is noted that the audit and governance committee's update report is sent to SMB prior to committee for review, which was last sent to committee in March 2014.

5.6.2 Area assurance: Limited

Two recommendations have been made and a further discrepancy was noted, which is included in other objective recommendations, as a result of our work in this area (Recs 13 & 14).

**5.3 Risk management training**

5.3.1 Risk management is not part of the councils' corporate induction, but is included in the employee handbook. It is also noted that risk management training has not been offered to make staff aware that they are responsible for considering risk as part of everyday activities and provide input to the risk management process. Audit and governance committee members last received risk management guidance training in March 2013, but with turnover of members since, further training is required.

**5.4 Embedment of risk management**

5.4.1 It was identified that the strategic management board (SMB) does not discuss risk management as a separate agenda item, however it is noted that at each meeting SMB focuses on the both current and future business-critical issues which need to be planned for and risk is considered.

5.4.2 Nominated risk champions are not in place to support their heads of service with promoting risk management; hence operational risk registers have not been reviewed and updated since 2013/2014. However, risk management is an agenda item and discussed during service manager meetings. It is noted that a risk & insurance officer has been in place since April 2016 and is responsible for reviewing, updating and maintaining the risk management process.

5.4.3 Area assurance: Limited

Three discrepancies were noted as a result of our work in this area, which have been included in other objective recommendations (Recs 4, 11 & 14).

**5.5 Risk identification, management and analysis**

5.5.1 Guidance on risk identification, management and analysis are in place and available to all staff via the councils' intranet site. Review of both the strategic and operational risk registers found that they are not regularly reviewed and were last updated in 2013/2014. Due to the risk registers not being reviewed regularly, services areas are not continuously reviewing emerging risks. Review of the strategic risk register also found that key risks were identified for three out of the five corporate priorities. It is noted that the corporate plan 2016-2020 was approved by Cabinet on 7 April 2016 (SODC) and 15 April 2016 (VWHDC), but this update has yet to take place in the risk registers.

5.5.2 The project business case template includes a section on risk, which should

## 6. CATEGORISATION OF RECOMMENDATIONS

6.1 To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

<b>High risk</b>	Fundamental control weakness for senior management action	<b>Recs 1, 4, 5, 6, 8, 9, 10 and 11</b>
<b>Medium risk</b>	Other control weakness for local management action	<b>Recs 2, 3, 13 and 14</b>
<b>Low risk</b>	Recommended best practice to improve overall control	<b>Recs 7 and 12</b>

## OBSERVATIONS AND RECOMMENDATIONS

### POLICIES, PROCEDURES AND GUIDANCE NOTES

#### 1. Risk management strategy review

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A risk management strategy is in place, which is:-</p> <ul style="list-style-type: none"> <li>• in line with best practice;</li> <li>• version controlled;</li> <li>• approved by the audit &amp; governance committee and made available to all staff via the councils' intranet site.</li> </ul> <p><u>Findings</u> Review of the risk management strategy 2013-2016 found that it is not in line with best practice as the strategy does not:-</p> <ul style="list-style-type: none"> <li>• include a risk management policy statement;</li> <li>• states the purpose or objective of the strategy;</li> <li>• give details of undertaking risk assessments before starting a project;</li> <li>• define the role and responsibilities of the councils' board or committee;</li> <li>• link the strategy to health and safety, insurance, and information governance.</li> </ul> <p>Review also found that the strategy is not version controlled to confirm:-</p> <ul style="list-style-type: none"> <li>• the author;</li> <li>• the date the strategy was reviewed;</li> <li>• the next review date;</li> </ul>	<p>a) A review of the risk management strategy should be undertaken to ensure that all best practice areas are covered.</p> <p>b) The risk management strategy should also be version controlled stating:-</p> <ul style="list-style-type: none"> <li>• the author of the strategy;</li> <li>• the date the strategy was reviewed;</li> <li>• the date the strategy was approved and by whom;</li> <li>• the next review date due.</li> </ul> <p>c) After the risk management strategy is finalised, the strategy should be:-</p> <ul style="list-style-type: none"> <li>• approved by the joint audit &amp; governance committee;</li> <li>• made available to the all staff via the councils' intranet site.</li> </ul>	<p>Risk and insurance officer</p>

<ul style="list-style-type: none"> <li>• who approved the strategy.</li> </ul> <p>It is noted that the risk management strategy 2013-2016 was approved by the audit &amp; governance committee in July 2013 (SODC) and June 2013 (VWHDC). The current strategy requires updating and requires approval from the joint audit &amp; governance committee.</p> <p><u>Risk</u> If the risk management strategy is not in line with best practice, there is a risk that the councils do not fully embed risk management resulting in the council's corporate priorities not being achieved.</p> <p>If the risk management strategy is not version controlled, there is a risk of the strategy not being reviewed and updated on a regular basis.</p> <p>If the joint audit &amp; governance committee does not approve the revised risk management strategy, there is a legislative risk as the councils are not approving strategies as required by the Constitution.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>A risk management action plan is in place to deliver a new risk management framework to the councils. The aim is to present the new risk management strategy and framework for approval to the audit and governance committee at the January 2017 meeting.</p> <p>Management response: Risk and Insurance Officer</p>		23 January 2017

**2. Guidance notes review**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Guidance on risk management fully developed, regularly reviewed and up-to-date.</p> <p><u>Findings</u> Review of the risk management guidance on the intranet found that:-</p> <ul style="list-style-type: none"> <li>• A guide to identifying equality and diversity related risks was last reviewed in April 2010;</li> <li>• A guide to the risk</li> </ul>	<p>a) A review of the risk management guidance currently in place should be reviewed and updated.</p> <p>b) Guidance should be developed on steps of undertaking risk assessments on projects, so that project managers can consistently evaluate the potential risks and develop strategies to address them to improve</p>	Risk and Insurance Officer

<p>management process was last reviewed in August 2011;</p> <ul style="list-style-type: none"> <li>• An explanation of the risk register was last reviewed in February 2009;</li> <li>• A guide to partnership risks was last reviewed in January 2010.</li> </ul> <p>Review of the risk management guidance intranet page found that there was no guidance in place on:-</p> <ul style="list-style-type: none"> <li>• Risk management impact - assisting relevant officers on determining the impact the risk will have in achieving the councils' corporate priorities, when scoring their risks.</li> <li>• Project risk management - assisting project managers on undertaking risk assessments on projects, prior to undertaking the project.</li> </ul> <p><u>Risk</u> If risk management guidance is not up-to-date, there is a risk of staff not having guidance to appropriately undertake their risk assessments.</p>	<p>the chances of an effective, if not faultless, project.</p> <p>c) A risk management impact guide should be developed to assist senior management and service managers, when identifying new risks and/or reviewing existing risks, in establishing the impact the risk has on the councils' strategic objectives.</p>	
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> A new risk management framework is being implemented across the councils. It is anticipated that this will be completed by the end of December 2016, and rolled out across service areas between January - March 2017.</p> <p>Management response: Risk and Insurance Officer</p>		<p>31 March 2017</p>

**3. Corporate induction**

**(Medium Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Risk management is included as part of the council's corporate induction.</p> <p><u>Findings</u> Risk management is not part of the council's corporate induction programme.</p> <p><u>Risk</u> If risk management is not part of corporate induction, there is a risk</p>	<p>Risk management should be included in corporate induction to make all new starters aware of their risk management responsibilities.</p>	<p>Risk and Insurance Officer</p>

of new starters not being aware of the council's policy for risk management.		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> We will liaise with the HR team.</p> <p>Management response: Risk and Insurance Officer</p>		31 March 2017

**4. Risk champions**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> A risk champion has been identified for each service area, who regularly attends a risk management working group.</p> <p><u>Findings</u> Currently, the service areas do not have risk champions to regularly review their operational risk registers and making staff in their service area aware of risk management.</p> <p>The councils also does not have a risk management working group in place for risk champions to discuss risk issues, seek advice and/or highlight risks may be inefficiently managed.</p> <p><u>Risk</u> If risk champions are not in place, there is a risk of risk management not being embedded into the councils resulting in the councils' corporate priorities not being achieved.</p> <p>If a risk management working group is not set up, there is a risk of staff not able to exchange ideas or give/receive advice about risk management.</p>	<p>a) Risk champions should be identified within each service area to ensure that their operational risk register is regularly reviewed and staff within the service area are made aware of risk.</p> <p>b) After the risk champions have been identified within each service area, the risk champions should be listed on the intranet to ensure all staff are made aware.</p> <p>c) A risk management working group is developed and should meet on a regular basis to discuss risk. The working group should consist of the risk champions from each of the service areas.</p>	Risk and Insurance Officer
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This is dependent upon the new service area and management structures being agreed. The role of risk champions, including key measures for success, will be confirmed as part of the implementation of the risk management framework.</p> <p>Management response: Risk and Insurance Officer</p>		31 March 2017

**BEST PRACTICE**

**5. Risk management reporting**

**(High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The audit &amp; governance committee is undertaking its role in risk management with best practice.</p> <p><u>Findings</u> Review of the last risk management update report issued to audit and governance committee on the 18 March 2014 (SODC) and 17 March 2014 (VWHDC) against the CIPFA audit committee guidance found that the committee do not fully receive risk management information to fulfil the requirements of CIPFA.</p> <p><u>Risk</u> If the audit &amp; governance committee does not undertake its role in line with best practice, there is a risk that the committee is not used appropriately and in line with CIPFA guidance.</p>	<p>The risk management update report sent to audit &amp; governance committee should be reviewed and updated to ensure that the committee undertakes its role in risk management in line CIPFA's audit committee guidance.</p>	<p>Risk and Insurance Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> As part of the new risk management framework, audit and governance committee can expect to approve the 3 year risk management strategy and then receive six monthly risk management updates.</p> <p>Management response: Risk and Insurance Officer</p>		<p>23 January 2017 and then ongoing</p>

**6. Integrated internal audit and risk management framework**

**(High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The internal audit framework is integrated with the risk management processes.</p> <p><u>Findings</u> Review of the internal audit framework against risk management processes found that both are not integrated with each other.</p> <p><u>Risk</u> If the internal audit framework is not integrated with the risk management processes, there is a risk of:-</p> <ul style="list-style-type: none"> <li>any significant risks identified, as stated on both the strategic and operational risk register,</li> </ul>	<p>The internal audit and risk management functions should assess how they can integrate their frameworks, so that greater reliance can be placed on the risk management assessments by internal audit, and key risks and control weaknesses identified by internal audit can be fed into the risk management process.</p>	<p>Risk and Insurance Officer/ Assurance Manager</p>

<p>are not reviewed by internal audit to confirm internal controls are in place;</p> <ul style="list-style-type: none"> <li>any significant risks identified from the audit review are not fed back into the risk management process and included in the risk registers.</li> </ul>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> An integrated risk and internal audit framework is a key priority for the assurance team.</p> <p>Management response: Assurance Manager</p>		31 December 2016

**7. Risk register template**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The risk register is up-to-date, in line with best practice and user friendly.</p> <p><u>Findings</u> Review of the current risk register template against IRM risk management standard confirmed that the risk register is in line with best practice. However, it is proposed that the risk register templates are reviewed and updated to make it more user friendly as they were last reviewed 2009.</p> <p><u>Risk</u> If the risk registers are not updated and made user friendly, there is a risk of staff not understanding the information required when updating the registers, resulting in incomplete risk registers.</p>	<p>A review is undertaken on the current risk register template to make it more user friendly for staff and members of the councils.</p>	<p>Risk and Insurance Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> A new risk management framework is being implemented across the councils, which will include revised templates. It is anticipated that this will be completed by the end of December 2016, and rolled out across service areas between January - March 2017.</p> <p>Management response: Risk and Insurance Officer</p>		31 March 2017

**RISK MANAGEMENT TRAINING**

**8. Risk management training for staff**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<u>Best Practice</u>	a) Risk management training	Risk and Insurance

<p>Risk management is given to all staff so they are aware of ways of identifying and managing risks.</p> <p><u>Findings</u> No specific risk management training has been or is being offered to staff. The compulsory training list was received, which confirms that risk management training is not offered to staff.</p> <p><u>Risk</u> If risk management training is not given, there is a risk of staff not being aware of how to identify and manage emerging risks resulting in the councils not achieving their objectives.</p>	<p>should be offered to all staff to ensure that they are aware of ways of identifying and managing risk.</p> <p>b) Risk management training should be given to all senior management and service managers on identifying the risks within their area, undertaking risk assessments and establishing controls making the risks manageable.</p>	<p>Officer/ Assurance Manager</p>
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> A new risk management framework is being implemented across the councils. It is anticipated that this will be completed by the end of December 2016, and rolled out across service areas between January - March 2017.</p> <p>A risk management training programme will be developed that will be aimed at a range of target audiences from new starters, managers and councillors, and will be supported by the risk champions.</p> <p>Management response: Assurance Manager</p>		<p>30 June 2017</p>

**9. Risk management training for members**

**(High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Members of the Audit and Governance Committee are given risk management training so they understand the area and are aware of their role in the committee.</p> <p><u>Findings</u> The audit &amp; governance committee last received risk management training in March 2013. It is noted that due to the turnover of members on the committee, only one current member received the risk management training.</p> <p><u>Risk</u> If members of the Audit and Governance Committee do not receive any risk management training, there is a risk of members approving risk management reports without any understanding.</p>	<p>Risk management training should be given to Audit &amp; Governance Committee members, so that they can execute the role effectively.</p>	<p>Risk and Insurance Officer</p>
<p><b>Management Response</b></p>		<p><b>Implementation</b></p>

	Date
<p>Recommendation is <b>Agreed</b></p> <p>A new risk management framework is being implemented across the councils. It is anticipated that this will be completed by the end of December 2016, and rolled out across service areas between January - March 2017.</p> <p>A risk management training programme will be developed that will be aimed at a range of target audiences from new starters, managers and councillors, and will be supported by the risk champions.</p> <p>Management response: Risk and Insurance officer</p>	31 March 2017

## RISK IDENTIFICATION, MANAGEMENT AND ANALYSIS

### 10. Updating of risk register

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Both the strategic and operational risk registers are up-to-date and include the corporate priorities from the latest corporate plan 2016-2020.</p> <p><u>Findings</u> Review of the strategic risk registers found that risks were identified for three of the five corporate priorities suggesting that SMB does not deem there are any high level risks preventing the achievement of two corporate priorities: building the local economy &amp; support for communities.</p> <p>It is noted that the corporate plan 2016-2020 went to SODC Cabinet on 7 April 2016 and VWHDC Cabinet on 15 April 2016 for approval, which will require both the strategic and operational risk registers to be updated as the corporate priorities within the corporate plan have changed.</p> <p><u>Risk</u> If both the strategic and operational risk registers are not reviewed and up-to-date, there is a risk that objectives not being achieved.</p>	<p>The strategic and operational risk registers should be updated to identify risks for the latest corporate priorities in corporate plan 2016-2020.</p>	<p>Risk and Insurance Officer</p>
Management Response		Implementation Date
<p>Recommendation is <b>Agreed</b></p> <p>A new risk management framework is being implemented across the councils, which will include revised templates. Once the new service area and management structures have been agreed, during the roll out of the new framework across the service areas the risk registers will be populated. In the meantime service areas have</p>		31 March 2017

been advised to keep their current risk registers up-to-date.	
Management response: Risk and Insurance Officer	

**11. Regular review of risk register**

**(High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Both the strategic and operational risk registers are reviewed on a regular basis to take any emerging risks into consideration.</p> <p><u>Findings</u> Review of both strategic and operational risk register found that they were last reviewed in:-</p> <ul style="list-style-type: none"> <li>• Strategic risk register - Jan 13;</li> <li>• Finance risk register - Qtr 4 1314;</li> <li>• HR, IT &amp; technical services - Qtr 3 1213;</li> <li>• Legal &amp; democratic - Qtr 2 1314;</li> <li>• Corporate strategy - Qtr 3 1213;</li> <li>• Economy, leisure &amp; property - Qtr 2 1314;</li> <li>• Planning - Qtr 2 1314;</li> <li>• Development &amp; housing - Qtr 4 1112.</li> </ul> <p><u>Risk</u> If both the strategic and operational risk registers are not regularly reviewed, there is a risk that any new emerging risks that occur will not be identified and controls put in place resulting in the councils not achieving their objectives.</p>	<p>A process should be developed and put in place to ensure that SMB and service areas review their risk registers on a regular a basis so that they can manage any new emerging risks which could potentially prevent the councils from achieving their objectives.</p>	<p>Risk and Insurance Officer</p>
Management Response		Implementation Date
<p>Recommendation is <b>Agreed</b> Service areas should already be reviewing their current risk registers on a quarterly basis, and a reminder will be sent to them. The new risk management framework will embed a quarterly review, with a six monthly risk management report being presented to SMB and the audit and governance committee.</p> <p>Management response: Risk and Insurance Officer</p>		<p>Immediate and ongoing</p>

**12. Service areas' work plan**

**(Low Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Risk management is included in all service areas' work plans.</p> <p><u>Findings</u> Review of all seven service areas'</p>	<p>During the annual update of the service areas' work plan, risk management should be included as an objective for monitoring purposes.</p>	<p>Risk and Insurance Officer/ Risk Champions</p>

<p>work plans found that no work plans included risk management as an objective.</p> <p><u>Risk</u> If risk management is not included in service areas' work plans, there is a risk of service managers not monitoring and reviewing their risk register.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This will be outlined in the risk management framework.</p> <p>Management response: Risk and Insurance Officer</p>		31 March 2017

**RISK MANAGEMENT PERFORMANCE REPORTING**

**13. Risk register reporting**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The service areas regularly review and update their operational risk register on a quarterly basis and then send the risk register to the designated risk officer.</p> <p><u>Findings</u> After the service areas have reviewed operational risk registers, the risk registers are sent to the designated risk officer. However, review of the operational risk registers found that they are not reviewed on a regular basis; therefore not reported to the designated risk officer.</p> <p><u>Risk</u> If the operational risk registers are not regularly reviewed and sent to the councils' designated risk officer, there is a risk of risks and controls not being identified or missed resulting in the councils not achieving their objectives.</p>	<p>After the service areas have reviewed their operational risk registers on a quarterly basis, the risk registers should be reported to the risk and insurance officer.</p>	<p>Risk and Insurance officer/ Risk Champion</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This will be outlined in the risk management framework.</p> <p>Management response: Risk and Insurance Officer</p>		31 March 2017

**14. Risk management reporting**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The audit &amp; governance committee</p>	<p>Both the strategic management board and the</p>	<p>Assurance Manager</p>

<p>are updated on risk management on a regular basis.</p> <p><u>Findings</u> The strategic management board does not receive regular risk management update reports. It is noted that the risk management update report that goes to the audit &amp; governance committee is sent to SMB beforehand to review. However the update reports are also not regularly sent to committee and the last update report was sent to committee was in March 2014.</p> <p><u>Risk</u> If the audit &amp; governance committee do not receive risk management updates, there is a risk that the committee are not undertaking their duties as stated in the councils' Constitution.</p>	<p>joint audit &amp; governance committee should be updated on a bi-annual basis regarding risk management.</p>	
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> This will be outlined in the risk management framework.</p> <p>Management response: Assurance Manager</p>		<p>23 January 2017 and ongoing</p>

## **2. VWHDC WEST WAY BOTLEY AUGUST 2016**

### **1. INTRODUCTION**

- 1.1 This report details the findings from an investigation that has been conducted by internal audit in relation to the West Way development, Botley. The investigation has been undertaken at the request of the chief executive, under the direction of the council's monitoring officer. This work has been undertaken as part of the contingency allowance within internal audit's 2016/2017 audit plan, agreed with the joint audit and governance committee of South Oxfordshire District Council (SODC) and the Vale of White Horse District Council (VWHDC). The draft report was issued on the 8 August 2016, and the final report was issued on the 12 September 2016.
- 1.2 The following areas have been covered during the course of this review:
- To review the draft Botley Centre Supplementary Planning Document (SPD) consultation held between 21 August and 25 September 2015 and the further consultation on a revised draft of the Botley Centre SPD held between 20 November and 18 December 2015, to ensure they were managed in accordance with the council's planning consultation process as outlined in the Statement of Community Involvement December 2009.
  - To ascertain whether there has been inappropriate communication, information sharing and decision making between the council's property team and the planning team in progressing the West Way development since December 2014.

### **2. BACKGROUND**

- 2.1 Concerns were raised by a councillor regarding the accuracy and completeness of consultations held in regard to the Botley Centre, and the appearance of inappropriate communication, information sharing and decision making between the council's property team and planning team in progressing the West Way development, Botley.

### **3. MAIN FINDINGS**

#### **Botley Centre SPD consultation**

- 3.1 The council's Statement of Community Involvement (SCI) is the leading document for ensuring effective community engagement in planning processes. It was noted that at the time of the SPD consultations, the SCI was out of date, there was no clear statement on what documents members of the public can expect to view as part of a planning consultation and it did not actively complement the council's corporate policy on community engagement. It was also evidenced that there are no specific procedures in place for planning officers on how to carry out planning consultations and there is no clear methodology established for analysing and categorising consultation responses. **(Recs 1 and 2)**

- 3.2 The SCI states that the council (as the local planning authority) will be guided by a number of general principles in its community consultation. In order to ascertain whether the council achieved those principles in these consultations, internal audit reviewed the end to end consultation process and re-performed the consultation response analysis to ascertain if internal audit could validate the consultation report outcomes.
- 3.3 In regards to ensuring early involvement, internal audit would conclude that the council adequately recognised the needs of different groups in the community and provided clear opportunities for involvement. However, it was identified that the council failed to involve local councillors at the earliest opportunity. Whilst the council provided various points of access to the relevant information, internal audit noted that the online consultation system used (Objective) is not sufficiently user friendly and may act as a deterrent to effective community engagement. **(Rec 1 and 3)**
- 3.4 It could be confirmed that the council fed back on the consultation outcomes through all relevant avenues in accordance with the SCI, but it is internal audit's opinion that the council's analysis of the responses was not well presented and open to different interpretations.
- 3.5 August/September 2015 consultation  
Internal audit ascertained that all of the data within the consultation database had been reviewed whilst analysing the responses, and there was a record for each of the scanned responses (i.e. responses not entered directly into Objective by the consultee). However, when comparing the scanned documentation with the detail transferred to the database, issues were identified with the completeness of the data recorded. **(Recs 4 - 6)**
- 3.6 After allowing for duplicates and test data, internal audit reconciled the number of responses to be 357 as recorded in the SPD consultation report. This excludes late responses from the Environment Agency (Jack Moeran) and Savills (Neil Rowley), which have subsequently been recorded in Objective (but not considered) and are visible in the online consultation portal. However, internal audit arrived at a differing breakdown of how the responses were received and was unable in the review timeframe to establish why the consultation report states there are 396 individual responses but the web portal lists 395. **(Rec 9)**
- 3.7 The responses to the questions with agreed/disagreed style answers are represented in pie charts and bar graphs within the consultation report. Where free text comments are provided, instead of an agreed/disagreed answer, these are recorded as a 'no response' within the charts even though the text may express agreement or disagreement. Internal audit is of the opinion that this may be misleading and not portray the true strength of the responses. **(Rec 7)**
- 3.8 Twelve specific questions were asked in the consultation, and seven of these included more than one question to cover different paragraphs within the draft SPD. Five of these seven did not seek a response to all of

the relevant sections within the SPD. Furthermore, questions were not invited on all of the sections of the draft SPD such as regional context and existing baseline. **(Rec 8)**

- 3.9 From analysis of the free text comments, internal audit noted some omissions and a lack of emphasis in some areas of the consultation report. There was limited indication as to the strength of the responses and use of words such as 'a notable number' or 'the cohort of respondents supported' rather than stated quantities which were available to provide context. Paragraph 75 refers to the majority of respondents agreeing with a diagram, which internal audit identified is a suggestion of a stronger feeling than the actual figures illustrate. It was observed that some comments are acknowledged only within the 'how comments informed the final Botley SPD' and not within the previous comments section. Hence, on initial view, it may appear that not all comments and themes are captured in the general comments section. Negative comments about the design, wording etc. such as in question 11, are also split out over several categories which appears to minimise the impact and strength of the negative feeling about the SPD. **(Rec 9)**
- 3.10 The SPD consultation report explains within each section how comments have fed into the SPD or why they have not resulted in changes. Those changes recorded in the consultation report as agreed had been made to the SPD. However, there were several comments regarding a lack of use of 'plain English' and request for definitions that do not appear to have been fully addressed. Taking account of the scale of the comments received, these are not significant but may still have impacted upon some responses due to a lack of understanding of what was included. In addition, internal audit has identified that the consultation report is not easily accessible to the public on the council's website. **(Recs 10 and 11)**
- 3.11 November/December 2015 consultation  
The revised consultation report states on page 4 that 39 responses were received for the second consultation. A total of 38 responses are made available on the consultation database which excludes a response from the Environment Agency received after the consultation period ended.
- 3.12 From checks undertaken on the comments captured, it was noted that two responses from persons at the same household had been recorded under one person identifier which had been listed twice. As far as the comments, one email had been recorded in general text but the second response had been attached as a document without the comments being recorded. Also, two organisations had their comments correctly recorded but the name of the officer submitting the responses differed.
- 3.13 Internal audit would conclude, from independent analysis of the responses, that the SPD consultation report correctly identified the main areas of concern noted by respondents. However, there are some issues identified with the analysis of the consultation responses, particularly the free text comments, completeness of data recorded and other minor weaknesses within the consultation process. Furthermore, the way the data from the consultation is reported lacks some clarity and is open to different interpretations. Eleven recommendations have been made as a

result of our work in this area (Recs 1 – 11).

**Communication, information sharing and decision making between the council's property team and the planning team.**

3.14 Internal audit has ascertained that there is no specific legislation and/or statutory guidance in place relating to the role officers and/or councillors can or should take when a council is both the landowner and the local planning authority. Therefore, the advice of the Royal Town Planning Institute (RTPI) was sought as to what process should be followed to avoid conflicts of interest or the appearance of conflicts of interest occurring. Reference was also made to Local Government Association guidance 'Probity in planning for councillors and officers' 2009 and 2013, and Oxfordshire Monitoring Officers guidance on bias in decision making.

3.15 Based on the advice provided and guidance viewed, it was concluded that in such matters where the council is both the landowner and the local planning authority:

- The council must abide by its own policies and procedures with regards to actual and apparent conflicts of interest.
- Any application must be determined in accordance with the council's development plan, unless there is a material consideration not to do so.
- To ensure transparency, any major application where there is a conflict of interest or the appearance of a conflict of interest should go to a public committee for deliberation and decision.

The RTPI also stated that any decision can be judicially reviewed, and this by itself adds a layer of independence and accountability.

3.16 Internal audit reviewed the council's own policies and procedures, and ascertained that conflict of interest matters and expectations in regards to those are adequately documented within the council's constitution and the employee handbook.

3.17 Through discussion with relevant officers, and a review of all evidence obtained and provided to internal audit on cabinet and committee meetings, councillor briefings and officer/consultant meetings held in relation to the West Way development, and taking into consideration RTPI's advice and guidance reviewed, internal audit would conclude that:

- Officer and councillor roles and responsibilities in relation to the West Way development were clear. The planning policy team led the development of the supplementary planning document (SPD), the development management team in planning continues to lead on the relevant planning application and the property team continues to lead on the contract sale of the land and buildings. All formal decisions relating to those functions were taken by cabinet or planning committee in accordance with the council's constitution and scheme of delegation, and were subject to scrutiny by the council's scrutiny committee where relevant.

3.18 • Records of officer/consultant meetings in relation to West Way are

limited on both the planning and property side, and therefore internal audit has been restricted in its analysis of officer/consultant communication, information sharing and decision making regarding West Way (**Rec 12**). However, from a review of the information provided, internal audit ascertained the attendance of the economic development manager (property lead) at two planning policy meetings (SPD lead) at the commencement of the process. Based on a review of the minutes, it was ascertained that the focus of the meetings were background discussions to provide context, agreement on stakeholder involvement and agreement of the programme. There were no discussions involving the economic development manager which focused on findings. Internal audit does not consider this involvement to be a direct conflict of interest, but internal audit does conclude that it could infer the appearance of bias and inappropriateness. However, based on the advice from the RTPI and the guidance reviewed, internal audit would conclude that this observation does not breach the conflict of interest bar between planning and property and therefore no recommendation has been made.

- 3.19
- Analysis of all cabinet and committee meetings and councillor briefings from December 2012 identified that five councillors have attended meetings on both the property side and planning policy side at cabinet and cabinet briefing level. This included making property decisions to approve sale negotiations, being involved in property updates, being involved in planning policy discussions regarding the SPD, approving the SPD to go out for consultation and approving the SPD itself. It was also determined that at the cabinet briefing meeting held on 19 December 2014, West Way property and planning issues were discussed at the same meeting with all councillors in attendance for the full discussion. Reference was made to the fact that the planning committee had refused the planning application, that the applicant intended to appeal the decision but if the council agreed to extend the contract the applicant would withdraw its appeal. Following that meeting a cabinet member present at the meeting made a cabinet member decision to extend the contract. Internal audit would conclude that at a formal decision-making level, taking into consideration the advice from RTPI, the guidance reviewed and in accordance with the council's constitution, whilst no illegality has occurred there is an indication of a conflict of interest and/or the appearance of bias. (**Rec 13**).

#### 4. CONCLUSION

4.1 Internal audit would conclude that:

- There are some minor control weaknesses with the end to end consultation process, and internal audit has identified concerns with the analysis of the consultation responses. Whilst internal audit does not consider the concerns significant enough to change the overall outcome of the consultation report, internal audit concludes 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 has occurred, there has been communication, information sharing and decision making at a cabinet, committee and councillor briefing level which indicates 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.

## **RECOMMENDATIONS**

Internal audit has made a number of recommendations to improve control processes operating within West Way, Botley.

To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

<b>High risk</b>	Fundamental control weakness for senior management action	<b>Recs 1, 2, 5, 9, 12 and 13</b>
<b>Medium risk</b>	Other control weakness for local management action	<b>Recs 3, 7, 8 and 11</b>
<b>Low risk</b>	Recommended best practice to improve overall control	<b>Recs 4, 6 and 10</b>

## **REVIEW OF CONSULTATION**

### **1. Statement of community involvement**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The Statement of Community Involvement (SCI) is regularly reviewed and up to date.</p> <p><u>Findings</u> The SCI is the leading document for ensuring effective community engagement in the planning process. The council has a corporate policy on community engagement and a community engagement charter, but the SCI does not directly dovetail in to these two. There is a lack of clarity with regards to the responsible officer/team for the SCI. The SCI was last reviewed in December 2009. Internal audit is aware that the SCI is currently being reviewed.</p> <p><u>Risk</u> If an up to date SCI is not in place, there is a risk that the council is not ensuring effective community involvement leading to reputational damage.</p>	<p>The statement of community involvement (SCI) should be reviewed and updated, to include:</p> <ul style="list-style-type: none"> <li>• Clearly identifying a responsible officer/team for the policy.</li> <li>• Ensuring the SCI adequately reflects the council's corporate policy on customer engagement and the customer engagement charter to ensure consistency.</li> <li>• Identifying how councillors will be involved in planning consultations.</li> <li>• Specifying what documents consultees will be entitled to view as part of any planning consultation process.</li> </ul>	<p>Andrew Maxted, Senior Planning Officer</p>

Management Response	Implementation Date
Recommendation is <b>Agreed</b>  Management Response: Head of Planning	31 December 2016

**2. Planning consultation methodology (High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All planning policy consultations have an officer methodology statement to support the analysis of consultation responses.</p> <p><u>Findings</u> There are no specific procedures in place for planning officers on how to carry out planning consultations, officers currently only use the SCI as the baseline. Some written guidance was offered to staff on how to process the SPD responses and it was identified that they were very limited in content and did not offer any guidance/methodology to officers on how to categorise and analyse the consultation responses. As this analysis was undertaken by numerous officers, some only temporary officers, there is no evidence of a clear methodology being set to ensure consistency in the analysis of the consultation responses.</p> <p><u>Risk</u> If there is no evidence of a clear methodology being set to ensure consistency in the analysis of the consultation responses, there is a risk that the consultation feedback is inaccurate.</p>	<p>All planning consultations should be supported by comprehensive procedures and have an officer methodology statement to support the analysis of consultation responses. This should document officer responsibilities for the end to end consultation process, and clearly specify the methodology for analysing, categorising and recording consultation responses.</p>	<p>Andrew Maxted, Senior Planning Officer</p>
Management Response		Implementation Date
Recommendation is <b>Agreed</b>  Management Response: Head of Planning		31 December 2016

**3. Consultation system (Medium Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The consultation system is user friendly and allows input through all methods and devices.</p> <p><u>Findings</u> General comments were noted in the consultation responses stating the online system was not user friendly. Three examples of users that had issues with using the system were</p>	<p>Consideration should be given to replacing the existing Objective consultation system with a more user friendly system that also allows users of electronic devices such as iPad's to provide online responses.</p>	<p>Philip Vincent, Corporate Consultation Officer</p> <p>Planning</p>

<p>reviewed and one of these had not managed to record responses within the database. However, this query was only raised on the final day of the consultation. One other user found that the Objective system would not work on an iPad device. Furthermore, it was noted that the current online system does not permit filtering of the comments such as by each question.</p> <p>Internal audit undertook a walkthrough of the Objective system, and ascertained that it was not easily identifiable if comments on individual pages within a consultation had been saved.</p> <p><u>Risk</u> If the on-line consultation systems is not user friendly, there is a risk that the council is preventing or limiting community engagements which could lead to ineffective consultations and/or reputational implications.</p>		
<b>Management Response – Corporate Consultation</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Following a review of the councils’ facility to support online consultations, we have purchased a subscription to Smart Survey which is available for use by all service areas. The Head of Service and Planning Customer Service Manager were part of the project board that agreed the purchase of Smart Survey. The supplier has confirmed that a facility allowing validation of responses by email could be developed at a relatively low cost to the council. The Corporate Consultation Officer can support planning staff to transition to the new system.</p> <p>Management Response: Policy and Partnerships Manager</p>		1 January 2017
<b>Management Response - Planning</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed in Principle</b> Subject to finance and a suitable alternative that records name and address to allow ongoing dialogue.</p> <p>Management Response: Head of Planning</p>		1 January 2017

**4. Written acknowledgements**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Acknowledgement in writing for all consultation representations received is only used when considered appropriate for either control purposes or to meet service delivery objectives.</p> <p><u>Findings</u> The SCI states that all consultation responses are to be acknowledged in writing. Email responses sent to the</p>	<p>Planning to consider whether it is reasonable and practical to state within the SCI that it will ‘acknowledge in writing all representations received’. If it is, then planning must deliver on the commitment.</p>	<p>Duncan Grainge, Customer Service Manager</p>

<p>planning policy inbox receive an automatic acknowledgement of receipt. Respondents using the online portal directly receive acknowledgement of, and can view, their submitted responses. However, it could not be confirmed that written responses received via post were acknowledged.</p> <p><u>Risk</u> If commitments are not adequately assessed for appropriateness, there is a risk of the council either over-committing or under-committing which could lead to the inefficient use of resources, service delivery objectives not being achieved and reputational implications.</p>		
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> The SCI has been rewritten and specifically mentions how customer's comments will be acknowledged and how customers can ensure an acknowledgement is sent if required. We will acknowledge representations submitted by e-mail or through the consultation system (objective or Smart Survey). Representations submitted by post will only receive and acknowledgement if a reply e-mail address has been supplied.</p> <p>We will not send acknowledgements to verbal comments or comments submitted to us on feedback forms at consultation events. Those hand delivering written comments (e.g. at main reception) will be issued with a receipt if requested.</p> <p>Management Response: Head of Planning</p>		<p>31 December 2016</p>

**5. Captured responses – completeness and accuracy**

**(High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All consultation responses are recorded completely and accurately with an independent review undertaken to ensure completeness.</p> <p><u>Findings</u> From checks on a random sample of 10 scanned responses to the initial consultation:-</p> <ul style="list-style-type: none"> <li>• 1 (ID930185) had a text comment that had not been recorded.</li> <li>• 1 (ID929567) had part of question 7 not recorded and the response was strongly agreed.</li> </ul> <p>Furthermore, there were paragraphs within the response from West Way Community Concern that were not recorded in the consultation database and the accompanying report (prepared by Mike Gilbert) was not captured as part of the response.</p>	<p>There should be independent review and quality checks to ensure consultation responses are fully and accurately captured within the consultation database.</p>	<p>Andrew Maxted, Senior Planning Officer</p>

<p>From checks on the second consultation exercise, responses from two separate people at the same address have been listed as one person with a duplicate row. Only one of the responses is captured within the text. The response from the second person has been added as a document attachment without the comments being recorded. Inconsistencies were noted in the name attributed to respondents from two organisations, however that did not affect the recording of the comments made.</p> <p><u>Risk</u> If there is no independent review of data entries then any errors or omissions may remain undetected and unresolved.</p>		
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Head of Planning</p>		<p>31 December 2016</p>

**6. Scanned documents**

**(Low Risk)**

<p><b>Rationale</b></p>	<p><b>Recommendation</b></p>	<p><b>Responsibility</b></p>
<p><u>Best Practice</u> Scanned images of response documentation are complete.</p> <p><u>Findings</u> Paper based responses are scanned and retained electronically. From checks on a random sample of 10 scanned responses, 1 document (ID929175) was incomplete because only one side of the double sided document had been scanned. The data that could be seen was correctly recorded.</p> <p><u>Risk</u> If responses are not completely captured when scanned then it may prove difficult to answer queries, such as regarding the completeness or accuracy of the consultation data, should they arise.</p>	<p>Scanned images of consultation response documentation must be checked to ensure they are complete.</p>	<p>Duncan Grainge, Customer Service Manager</p>
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b></p> <p>The responsible officer will conduct a 'dip check' of scanned documentation to ensure a high standard of QA. Any consultation within the planning service will have a responsible officer (appointed by the line manager) allocated for the successful management of that consultation and it will be that officers responsibility to ensure a high level of QA. In discussion with colleagues it was determined that a new SOP was not required to ensure this takes place as the project</p>		<p>31 October 2016</p>

management methodology now in place ensures that this process is a standard function of any consultation.	
Management Response: Head of Planning	

**7. Free text responses**

**(Medium Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Charts are clearly explained and free text answers should not be counted as no response.</p> <p><u>Findings</u> Pie and bar charts are used within the consultation report to provide representation of the analysis of responses in each section. General text comments that may be agreeing or disagreeing are represented as no response and each question was represented as responses out of 357.</p> <p>The majority of the free text comments are from respondents who have also answered the agreed/disagreed questions. Hence the overall impact may not be significant but this will vary for each question. For example:-</p> <ul style="list-style-type: none"> <li>• For question 2 there are 195 free text comments and 44 of these are instead of the agreed/disagreed answers.</li> <li>• For question 3 there are 184 free text comments but only 12 of these are instead of the agreed/disagreed answers.</li> <li>• For question 4 regarding student accommodation, there are 283 free text responses of which 93 are instead of an agree/disagree answer. Internal audit counted at least 66 responses that disagreed with student housing within the 93 free text comments.</li> </ul> <p><u>Risk</u> If free text responses are counted within the 'no response' section in charts, then this may not be seen as truly representing the strength of agreement/disagreement to each section.</p>	<p>a) Where there is a free text response rather than an agreed/disagreed answer, this should not be represented as a 'no response'.</p> <p>b) The stated count and/or percentages of responses should use only those respondents that did provide an answer to the agreed/disagreed sections as there is already an option for 'don't know/no opinion'. Hence each comment may have a different total for the number of responses.</p> <p>c) For purposes of reconciling responses the 'no response' can be used but this should not inform the overall outcome.</p>	<p>Andrew Maxted, Senior Planning Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Head of Planning</p>		<p>31 October 2016</p>

**8. Scope of consultation questions (Medium Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All options presented within a draft SPD are open for direct questions within a consultation.</p> <p><u>Findings</u> Within the West Way consultation, 7 of the 12 main questions included more than one question corresponding to specific paragraphs in the SPD. For 5 of these 7, not all of the options presented within the draft SPD were included for consultation. Furthermore, not all sections of the SPD were included for specific questions, such as regional context and existing baseline.</p> <p><u>Risk</u> If consultation questions do not cover all sections of an SPD then respondents may feel their opinions are not fully sought and will need to use general text to address issues which are then more time-consuming and difficult to analyse.</p>	<p>All sections and options presented within a policy/report which is being consulted upon, should be reflected in the direct questions within a consultation.</p>	<p>Andrew Maxted, Senior Planning Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Head of Planning</p>		<p>31 October 2016</p>

**9. Statistical analysis – independent review (High Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Reported statistical analysis is accurate and clearly stated.</p> <p><u>Findings</u> Internal audit determined a slightly different statistical analysis, including free text comments, when compared with data presented in the SPD consultation report. For example:-</p> <ul style="list-style-type: none"> <li>• Number of responses stated in paragraph 58 should be 174 not 225.</li> <li>• Paragraph 37 refers to disagreement for student accommodation and a cinema but does not mention objections to a hotel which internal audit counted as 13.</li> <li>• Paragraph 75 is worded in favour of agreement when internal audit identify the outcome as closer to 50/50 agreed/disagreed.</li> </ul>	<p>There should be an independent review of stated statistics within a consultation report, including free text analysis/summary, or more than one officer undertaking the analysis, to ascertain if similar conclusions could be drawn and/or validate the reported data analysis.</p>	<p>Andrew Maxted, Senior Planning Officer</p>

<ul style="list-style-type: none"> <li>• In question 5, comments about keeping the Vicarage are not recorded but internal audit counted 26 comments.</li> <li>• It is not clear why on page 28 under 'general comments on the consultation process' reference is made to figure 1 which is age analysis of responses.</li> <li>• Internal audit arrived at different percentages for answers to question 2 on page 8.</li> <li>• The consultation report states 396 individual responses were received but the web portal lists 395 when viewing individual responses.</li> </ul> <p>Furthermore, the sections added for the second consultation state there were 39 responses but only 38 are available on the website to support this. The extra response is from the Environment Agency which was received after the consultation period end.</p> <p><u>Risk</u> If free text responses are counted within the 'no response' section in charts, then this may not be seen as truly representing the strength of agreement/disagreement to each section. Furthermore, differences between reports and supporting data may give the impression of missing responses and a lack of confidence in the outcome.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> A second officer will undertake a review.</p> <p>Management Response: Head of Planning</p>		31 October 2016

**10. Consultation report availability**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The Botley Centre SPD Consultation Report is available to review on the council's Botley Centre SPD website page with the consultation statement.</p> <p><u>Findings</u> The SPD consultation report is not listed on the Botley Centre SPD webpage alongside the consultation statement. It was available to members of the public as part of the Cabinet reports pack. However, it</p>	<p>The Botley Centre SPD Consultation Report should be available to review on the council's Botley Centre SPD website page with the consultation statement.</p>	<p>Emma Wright, Project and Support Officer</p>

<p>would be reliant on a member of the public searching the specific meeting, as the consultation report does not come up individually in the search function.</p> <p><u>Risk</u> If council information is not transparent and easily available to members of the public, there is a risk of criticism and damage to the council's reputation.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Completed 2 September 2016.</p> <p>Management Response: Head of Planning</p>		Implemented

**11. Definitions and explanations**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Consultation questions and associated documents for consultation should be clear and include definitions or clarification where open to interpretation.</p> <p><u>Findings</u> Following the consultation comments, the SPD was revised to clarify terms such as activity levels but other terms remained unexplained and undefined. These include 'human in scale' and whilst 'vibrant mix of uses' is explained in the objectives this is not defined within question 3 of the consultation.</p> <p><u>Risk</u> If documents and consultations questions are not clear and include jargon then respondents may not feel they are able to truly comment or may feel the wording is too open to differing interpretation.</p>	<p>Consultation questions and documents for consultation should use clear and transparent language and terms with definitions or explanations where necessary.</p>	<p>Andrew Maxted, Senior Planning Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Head of Planning</p>		31 October 2016

**REVIEW OF ENGAGEMENT**

**12. Project management methodology**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The planning and property teams conduct all complex/major</p>	<p>The planning and property teams should be advised to conduct all complex/major</p>	<p>Suzanne Malcolm, Economic Development Manager</p>

<p>projects/programmes of work with a clear project management methodology to ensure that adequate records and documents are maintained of progress, decisions and outcomes.</p> <p><u>Findings</u> Throughout this review, it became evident that there was a lack of knowledge as to which officers were involved in the various stages of the consultation process, and there was a significant lack of documents to support meetings which had occurred and decisions which were taken between officers, consultants and meetings with the community on both the planning and property side.</p> <p><u>Risk</u> Without a clear project management methodology, there is a risk that projects and programmes of work are not managed effectively and efficiently. This could lead to resources not being utilised effectively, poor records management, inappropriate decisions being made and delays in programme delivery not being dealt with promptly.</p>	<p>projects/programmes of work with a clear project management methodology to ensure that adequate records and documents are maintained of progress, decisions and outcomes.</p>	<p>Duncan Grainge, Customer Service Manager</p>
<p><b>Management Response – Economic Development</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> Property management is now delivered via Arcadis and as such the councils will have limited ability to influence their processes. However, from a council officer point of view and given my ongoing involvement in strategic property projects I will endeavour to ensure that internally we follow the recommendation.</p> <p>Management Response: Economic Development Manager</p>		<p>Immediately</p>
<p><b>Management Response - Planning</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> Prior to the issue of the draft recommendations, planning policy teams have reviewed the way in which complex / major pieces of work are conducted. The team meet weekly to discuss progress, allocate actions and functions and responsibility to complete work within set timescales. The policy teams have Project and Support officers in post who works closely with the managers and officer to ensure all aspects of the various work streams are managed carefully and methodically.</p> <p>A corporate project management tool and methodology project has recently been completed. This will give a corporate solution to project management and once a tool and methodology has been decided, it would be prudent for the planning teams to utilise the corporate solution in complex or major pieces of work.</p> <p>Management Response: Head of Planning</p>		<p>Immediately</p>

**13. Status of Cabinet and Cabinet Briefing****(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Cabinet, committee and councillor briefing meetings should be conducted in accordance with the council's constitution and best practice.</p> <p><u>Findings</u> Internal audit reviewed all cabinet, committee and councillor briefing meetings where the West Way development had been discussed and/or formal decisions were made, and this included both property and planning discussions. Whilst no illegality occurred, there was an indication of a conflict of interest and/or the appearance of bias.</p> <p>Through a review of the content of the meetings/discussion, internal audit identified five councillors that attended meetings on both the property side and planning side at cabinet and cabinet briefing level. It was also determined that at the cabinet briefing meeting held on 19 December 2014, West Way property and planning issues were discussed at the same meeting with councillors in attendance for the full discussion. Reference was made to the fact that the planning committee had refused the planning application, that the applicant intended to appeal the decision but if the council agreed to extend the contract the applicant would withdraw its appeal. Following that meeting a cabinet member decision was made to extend the contract. The cabinet member was present at the previous cabinet briefing meeting.</p> <p>It must be noted that at some meetings, councillors did attend in a non-participating role. Those were excluded from this analysis, including any councillor in attendance at a scrutiny committee meeting/discussion.</p> <p><u>Risk</u> If appropriate systems are not in place to monitor adherence to the constitution and best practice, it could result in conflicts of interests and/or the appearance of bias not being managed appropriately at formal meetings.</p>	<p>Legal and democratic services should ensure that systems are in place to continuously identify and monitor potential conflict of interests at all cabinet, committee and councillor briefing meetings, advise councillors and where necessary enforce the controls in place to prevent councillors participating in meetings/discussions/decisions where there is a conflict of interest and/or the appearance of bias.</p>	<p>Head of Legal and Democratic Services</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Head of Legal and Democratic Services</p>		<p>Immediate</p>