

Agenda

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Audit and Governance Committee

Date: **Thursday 11 January 2018**

Time: **6.00 pm**

Place: **Plowman Room - Town Hall**

For any further information please contact the Committee
Services Officer:

**Jennifer Thompson, Committee and Members Services
Officer**

Telephone: 01865 252275

Email: democraticservices@oxford.gov.uk

If you intend to record the meeting, it would be helpful if you speak to the
Committee Services Officer before the start of the meeting.

Audit and Governance Committee

Membership

Chair*	Councillor James Fry
Vice-Chair*	Councillor Chewe Munkonge
Members (with substitutes)	Councillor Andrew Gant Councillor Mark Ladbrooke Councillor Michele Paule Councillor Craig Simmons Councillor Sian Taylor

The full membership is seven councillors and the quorum for this meeting is three members. Substitute members are permitted.

These are shown above where notification of apologies and substitutes were received before the agenda was published. Apologies and substitutions sent after publication will be reported at the meeting.

*Substitutes for the Chair and Vice-chair do not take on these roles.

Copies of this agenda

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- downloaded from our website
- viewed using the computers in the Customer Services, St Aldate's, or
- subscribed to electronically by registering online at mycouncil.oxford.gov.uk

AGENDA

	Pages
1 Apologies for absence and substitutions	
2 Declarations of Interest	
3 Setting of the Council Tax Base 2018-19	
Report of: Head of Financial Services	
Purpose of report: to set the “Council Tax Base” for 2018/19 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.	
Report to follow	Report to follow
4 Business Continuity and Disaster Recovery Review - Progress Report	
Report of: Head of Financial Services	
Purpose of report: to update the Committee on the progress of a review of Business Continuity and Disaster Recovery Plans.	
Report to follow	Report to follow
5 External Audit progress report - Ernst and Young	7 - 14
Report of: the external auditor Ernst & Young	
Purpose of report: to provide the Committee with an overview of the work that is to be completed during the 2017/18 audit.	
Recommendation: to discuss and note the report	
6 Housing Benefit Certification Report 2016-17	15 - 26
Report of: the external auditor Ernst & Young	
Purpose of report: to set out a summary of the work on the 2016-17 Housing Benefit Claim.	
Recommendation: to discuss and note the report.	

7	Review of ICT Transformation Project	27 - 34
	Purpose of report: to update members on progress with the ICT Transformation Plan	
	Recommendation: to note the report	
8	Internal Audit progress reports: to January 2018	35 - 50
	Report of: the internal auditor BDO	
	Purpose of report: to inform the Committee of progress made against the internal audit plan.	
	Recommendation: to discuss and note the report.	
9	Internal Audit - final audit summary on Fusion Leisure	51 - 52
	Report of: the internal auditor BDO	
	Purpose of report: to set out the summary of the internal audit review of Fusion	
	Recommendation: to discuss and note the report.	
10	Internal Audit: Follow Up of Recommendations to December 2017	53 - 66
	Report of: the internal auditor BDO	
	Purpose of report: to inform the Committee on progress on those recommendations raised by Internal Audit which are due for implementation.	
	Recommendation: to discuss and note the report.	
11	Risk Management Quarterly Reporting as at 30 November 2017.	67 - 78
	Report of: Head of Financial Services	
	Purpose of report: to update the Committee on both corporate and service risks as at 30 November 2017.	
	Recommendation: That the Committee notes the content of the report.	

12 Minutes of the previous meeting

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Recommendation: to approve as a true and accurate record the minutes of the meeting held on 26 September 2017.

13 Dates and times of meetings

The Committee is scheduled to meet at 6.00pm in the Town Hall on the following dates:

12 March 2018

25 July 2018

17 October 2018

10 January 2019

11 March 2019

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Oxford City Council

Audit and Governance Committee

External Audit Progress Report

December 2017



Building a better
working world



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Audit and Governance Committee
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19 December 2017

Dear Committee Member

Audit Progress Report

We are pleased to attach our Audit Progress Report. Its purpose is to provide the Committee with an overview of the progress that we have made with the work that we need to complete during the 2017/18 audit. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations. We will bring a progress report to each Committee except for those where we will bring the Audit Plan or the Audit Results Report.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Paul King
Executive Director
For and behalf of Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This progress update is prepared in the context of the Statement of responsibilities. It is addressed to the Audit and Governance Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

2017/18 audit

Planning

We are currently carrying out our planning procedures on the 2017/18 audit and intend to present our 2017/18 Audit Plan to the Audit and Governance Committee in March 2018. Thereafter we will keep the plan under review and will inform you of any changes to our risk assessments and planned work.

Financial Statements

We adopt a risk based approach to the audit and, as part of our ongoing continuous planning we continue to meet key officers regularly to ensure the 2017/18 audit runs as smoothly as possible and identify any risks at the earliest opportunity. This includes meetings with staff to discuss issues arising from the 2016/17 audit and to examine ways to enhance the audit process for the 2017/18 accounts as well as continuing discussions with officers on key technical accounting issues.

Interim visit

Systems

We undertook our interim work to identify the Council's material income and expenditure systems and to walk through these systems in December 2017. There are no issues arising from this work.

Early Substantive Testing

We have also carried out early substantive testing in December 2017 on key items of income and expenditure at that point in the year. There are no issues arising from this work.

We have a further audit visit planned in February 2018 to carry out more extensive early substantive procedures which will include further tests of income and expenditure, as well as testing of payroll and property, plant and equipment. It is our intention to bring as much testing as possible forward to this visit in order to minimise the amount of work after the year end and facilitate the earlier close timetable.

In addition to the above work we have communicated our year-end working paper requirements to key officers. To ensure a smooth delivery of the year end we will continue to have regular meetings with key officers as part of our ongoing audit process.

Value for money

The Comptroller and Auditor General (C&AG) issued Auditor Guidance Note 3 (AGN 03) – Auditors' work on VFM arrangements. We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in the use of resources.

For 2017/18 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

Our work on the value for money conclusion is ongoing.

Housing Benefit Subsidy Claim Certification – 2016/17

Since the last Audit and Governance Committee we have completed our work on the Council's 2016/17 Housing Benefit Subsidy Claim. We have prepared a separate certification report which will be presented at this Committee which contains more details of the findings of our work.

Audit and Governance Committee

If members of the Audit and Governance Committee have any particular issues they want to discuss with us we would be pleased to discuss these with you.

Timetable

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2017/18 Audit and Governance Committee cycle.

Audit phase	Timetable	Audit and Governance Committee timetable	Deliverables
High level planning, risk assessment and setting of scopes	November 2017- January 2018	March 2018	Audit Plan
Testing routine processes and controls and early substantive testing	December 2017 – March 2018		
Year-end audit	June – July 2018		
Completion of audit	July 2018	July 2018	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements; and our value for money conclusion). Reporting to the NAO on the Whole of Government Accounts return. Audit completion certificate
Conclusion of reporting	July- August 2018	October 2018	Annual Audit Letter

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Certification of claims and returns annual report 2016-17

Oxford City Council

December 2017

Ernst & Young LLP



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February 2017
Ref: OxCity 16-17

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Dear Members

Certification of claims and returns annual report 2016-17 Oxford City Council

We are pleased to report on our certification and other assurance work. This report summarises the results of our work on Oxford City Council's 2016-17 Housing Benefit claim.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2016/17, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2016/17 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £61,266,389. We met the submission deadline. We issued a qualification letter and details of the qualification matters are included in section 1. Our certification work found errors which the Council corrected.

Our work in 2016/17 still identified a number of errors, particularly in respect of income assessment and misclassification between overpayment cells. Details are included in section 1. We have made the same recommendations as last year, set out in section 4.

Fees for this work is summarised in section 3. The housing benefits subsidy claim fees for 2016/17 were published by the Public Sector Audit Appointments Ltd (PSAA) in March 2016 and are now available on the PSAA's website (www.psaa.co.uk).



We welcome the opportunity to discuss the contents of this report with you at the 11 January 2018 Audit and Governance Committee.

Yours faithfully

Paul King
Associate Partner
Ernst & Young LLP
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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£61,266,389
Amended/Not amended	Amended (there were a number of minor amendments affecting supporting cells. These did not impact the overall value of the claim)
Qualification letter	Yes
Fee – 2016-17	£25,575
Fee – 2015-16	£25,438
Recommendations from 2015-16	Findings in 2016-17
<p>The Council should prioritise staff training and quality control in the Revenues and Benefits team.</p> <p>The Council should:</p> <ul style="list-style-type: none"> - extend the level of checking that is carried out in known problem areas; - monitor the % of cases that are checked to ensure that any targets set are being met; and - identify assessors who are making the most errors and focus checking on the cases they have processed 	<p>Our work is still identifying a number of errors particularly in respect of income assessment and mis-classification between overpayment cells.</p>

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous years claims. We found errors and carried out extended testing in several areas.

Extended and other testing identified errors which the Council amended. These did not have a net impact on the claim. We have reported underpayments, uncertainties and the extrapolated value of other errors in a qualification letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. These are the main issues we reported:

Non HRA – Earned Income

In two of the cases tested the earned income for the claimant had been calculated incorrectly. One of these cases resulted in an underpayment and the other resulted in an overpayment. As a result, a full listing of cases with earned income was obtained and all cases tested for correct calculation of earned income. This identified a further six failures where the incorrect earned income had been calculated resulting in an overpayment of benefit.

As a result, the claim was amended.

Non HRA – Manual Tax credits

In one case tested a manual working tax and child tax credit had been incorrectly entered onto the claim. This case resulted in an underpayment. As a result, a full listing of cases with manual working tax and child tax credits was obtained. We tested 100% of the cases (36) and did not identify any further errors.

This did not require an amendment to the claim and was not raised within the Qualification Letter.

Non HRA – Other issues

For one case we were unable to reconcile the workbook back to the headline cell total. There was an outstanding difference of £4.15.

This was included within our Qualification Letter.

For one case the benefit type for the case had been miscoded. It should have been a rent rebate instead of a Non-HRA rent rebate. As eligible rents and benefit entitlement have been correctly calculated. No additional testing has been undertaken as we can confirm it would have no impact on subsidy.

This was included within our Qualification Letter.

Rent Rebates – Capital

In one case tested the tariff income from capital for the claimant had been calculated incorrectly resulting in an overpayment. As a result, a full listing of cases with tariff income from capital was obtained and an additional 40 cases tested for correct calculation of tariff income from capital. This identified a further three failures where the incorrect tariff income from capital had been calculated. None of these additional failures resulted in an overpayment of benefit.

This resulted in an extrapolated overpayment of £3,005 which was included in our Qualification Letter.

Rent Rebates – Classification of Overpayments

One case failed due to an incorrect classification of overpayments (between eligible error and technical error). As a result, a full listing of cases with eligible error was obtained and an additional 40 cases were tested for correct calculation of the overpayments. This identified a further ten failures where the incorrect classification of the overpayment had been made.

This resulted in an extrapolated overstatement of eligible error of £15,396 and a corresponding underpayment of technical error of £12,794 and LA error of £2,602 which was included in our Qualification Letter.

Rent Rebates – Earned Income

Due to issues identified in the prior year (2015/16) a full listing of cases with earned income was obtained and 40 cases were tested for correct calculation of earned income. This identified five failures where the incorrect calculation of earned income resulting in an overpayment of benefit.

This resulted in an extrapolated overpayment of £2,308 which was included in our Qualification Letter.

Rent Allowances – Rent and Earned Income

Due to issues in the prior year (2015/16) a full listing of cases with earned income was obtained and 40 cases were tested for correct calculation of rent and earned income. In two of the cases tested the earned income for the claimant had been calculated incorrectly. One of these cases resulted in an underpayment and the other resulted in an overpayment. As a result, a full listing of cases with earned income was obtained and all cases tested for correct calculation of earned income. This identified a further six failures where the incorrect earned income or rent had been calculated resulting in an overpayment of benefit.

In addition, from our initial testing one case had incorrect calculation of rent resulting in an overpayment of benefit.

This resulted in an extrapolated overpayment of £34,573 which was included in our Qualification Letter.

Rent Allowances – Classification of Overpayments

One case failed due to an incorrect classification of overpayments (between eligible error and local authority error). As a result, a full listing of cases with eligible error was obtained and an additional 40 cases were tested for correct calculation of the overpayments. This identified a further failure where the incorrect classification of the overpayment had been made.

This resulted in an extrapolated overstatement of eligible error of £737 and a corresponding underpayment LA error of £737 which was included in our Qualification Letter.

Rent Allowances - Student Loans

Due to issues identified in the prior year (2015/16) the Council reviewed all Rent Allowance cases which had student loans. As a result, a full listing of cases with student loans was obtained and all cases tested for correct calculation of student loans. This identified one failure where the incorrect student loan had been calculated resulting in an overpayment of benefit.

As a result, the claim was amended.

2. 2016-17 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2016/17, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2016 and are now available on the PSAA's website (www.psa.co.uk).

Claim or return	2016-17	2016-17	2015-16
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	25,575	25,575	25,438

3. Looking forward

2017/18

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2017/18 is £25,438. This was set by PSAA and is based on final 2015/16 certification fees.

Details of individual indicative fees are available at the following web address:

<https://www.psa.co.uk/audit-fees/201718-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Head of Financial Services before seeking any such variation.

2018/19

From 2018/19, the Council will be responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance is under consultation and is expected to be published around January 2018.

We would be pleased to undertake this work for you, and we are discussions with officer to provide a competitive quotation for this work.

We currently provide HB subsidy certification to 106 clients, through our specialist Government & Public Sector team. We provide a quality service, and are proud that in the PSAA's latest Annual Regulatory and Compliance Report (July 2017) we score the highest of all providers, with an average score of 2.6 (out of 3).

As we also expect to be appointed by PSAA in December 2017 as your statutory auditor we can provide a comprehensive assurance service, making efficiencies for you and building on the knowledge and relationship we have established with your Housing Benefits service.

4. Summary of recommendations

In the prior year certification report for 2015/16 we made the recommendation in the table below. Following on from this, the Council put in place an improvement plan that involved increased staff training (in April and May 2017) as well as increasing the levels of checks performed on claims.

Due to the timing of the recommendations, which were raised at the end of 2016, we would not expect to see a tangible improvement in the number of issues identified until 2017/18.

Issue	Proposed Action
The accuracy of benefits processing has not improved year on year	<p>The Council should prioritise staff training and quality control in the Revenues and Benefits team.</p> <p>The Council should:</p> <ul style="list-style-type: none"> - extend the level of checking that is carried out in known problem areas; - monitor the % of cases that are checked to ensure that any targets set are being met; and - identify assessors who are making the most errors and focus checking on the cases they have processed

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To: Audit and Governance Committee
Date: 11 January 2018
Report of: Head of Business Improvement
Title of Report: Review of ICT Transformation Project

Summary and recommendations	
Purpose of report:	To update members on progress with the ICT Transformation Plan
Corporate Priority	An Efficient and Effective Council
Policy Framework	None
Recommendation: That the Audit and Governance Committee resolves to:	
Note the report.	

Introduction and background

1. The Audit and Governance Committee held on 14th December 2016 received a report on progress in delivering the ICT Transformation Plan, following transition to the City Council's new infrastructure provider SCC. This report provides a further update on progress with implementing the transformation plan, the auditor's recommendations and the ICT restructure as subsequently requested.

Transformation Plan Achievements

2. The transformation plan covered three distinct work streams: processes infrastructure and people, and incorporated the industry recognised ITIL (Information Technology Infrastructure Library) V3 standards Framework into delivery. Paragraphs 3 to 13 below detail the achievements under these three work streams.

Processes

3. The service desk has gone from strength to strength in reducing the time taken to resolve reported issues. A dedicated telephone help-desk has been key to responding to incidents requiring real-time resolution, while the software service portal (vFire) and email are now functioning better as the route for managing service requests. Logging vFire requests now generates a number of automated workflows that improve resolution time by allocating tasks directly to analysts, and

in a way that allows tasks to be worked on in parallel rather than sequentially. It also provides for escalation of tasks if they are not actioned (see para 6 below).

4. The knowledge base in the system is continually updated to assist staff with resolving issues and will eventually be on-line and searchable by officers as a self-help option.
5. The total number of open cases has reduced in the last 6 months from 756 to 471. Open cases are made up of active incidents and those cases where the “clock has stopped” (i.e. we are either waiting for further information from the user, contractor or, the matter is technically not an incident but a development request and is awaiting allocation of resources). In the last 6 months open incidents have reduced from just under 400 to an average of circa 150 at any point in time. “Stop clock” cases have remained fairly constant at circa 300 in number. There are no open incident cases raised prior to November 2017.
6. A Service Catalogue and Service Level Agreement has been developed and shared with the business. Due to the more manageable number of active incidents. We have now enabled call escalation, which generates alerts to analysts and managers as calls reach certain thresholds associated with the SLA for the case type, so that we can ensure that the service levels the service has signed up to deliver are achieved.

Infrastructure

7. BT One Phone is now operational across the whole organisation with the exception of the contact centre as planned. This has enabled office phones and mobiles to be replaced with a single device with all the features of a dedicated local branch telephone system. This together with voice messaging, texts and inclusive intra-business calling functionality, as well as the ability to work outside of the office accessing 4G and over 5 million BT wi-fi hot spots has enabled more effective mobile working, which is essential for the flexible office/home working policies that we enjoy.
8. The Multi-Functional Device printers have been replaced across the organisation resulting in a reduction in paper and toner cost, elimination of waste, and improved security through on-demand printing
9. Real time, “always-on” dashboards have been introduced, that give monitoring information to our Infrastructure and Operations Team in respect of the network, datacentre and applications environments, and this includes alerting through both email, and a real-time communications tool.
10. The infrastructure offering has been improved by:
 - Improving system performance by amending the specifications for the virtual servers that run our applications and the datacentre network routing and firewall rules.
 - A re-build and re-deployment of the system management software (SCCM) that provides end-user device (mainly laptops) automated build capability, remote control, patch management, software distribution, network access protection and hardware and software inventory;
 - A re-design, data-cleanse and re-configuration of the active directory that authenticates and authorises users and devices in our Windows network, as well as providing application level security and authentication.

- Improvements to the Citrix solution including resolution of the secondary two-factor authentication password issues and Netscaler connectivity broker issues
11. Business continuity and disaster recovery arrangements have been improved as follows:
- Two disaster recovery test scenarios have been completed with SCC at their recovery centre in Birmingham within the last 6 months. The initial test was limited in scope to test the recovery process and obtain confidence that the procedures were in place to effect a recovery. This completed successfully in March this year. In October we completed a full test of the entire key Infrastructure and Applications environment, with the exception of a small number of specialist production servers that could not be tested without interrupting service delivery. SCC's operational manual has been brought up to date as a result of this testing. This now includes an agreed schedule for loading infrastructure and applications servers and this has been incorporated into the corporate disaster recovery plan.
 - The disaster recovery and business continuity plans for ICT have also been reviewed.
 - Resilience has been added to the wide area network connections at St Aldates and the Town Hall via a fibre link across the road. If required, this link has been configured to automatically re-route not just data traffic but also voice traffic for the Contact Centre.
 - Staff password conventions have been strengthened to improve security. Following the cyber-attack in May 2017, an enhanced security patch was implemented as recommended by Microsoft.

People

12. The new ICT Structure has been consulted on and in accordance with the Council's change management policy recruitment to the structure is now in progress. The Chief Technology and Information (CTIO) Manager post is currently being recruited to. Vic Frewin (the Interim Manager) will remain in situ until the new CTIO is in post, to ensure a robust handover and to allow the remaining transformation projects to be substantially delivered.
13. Features of the new structure include:
- Better opportunities for ICT staff to develop their technical skills with more rewarding roles.
 - A technology led Infrastructure and Operations support and development function.
 - A robust Service Delivery function, providing a great service from the help-desk through to client-side troubleshooting and delivery. Reducing the time taken to resolve critical issues and improving service delivery and case closure rates.
 - An expanded and re-focussed Applications Development and Support team, that is more resilient with staff providing support in small groups for common application components, rather than relying on staff providing single point of failure support for individual applications.

- Project Managers working more closely with technical teams, to improve implementation of ICT projects and the ICT Work Plan.
- Better opportunities to leverage the provisions of managed service contracts.
- Out of hours ICT service provision to support the public facing digital services interface, and maximise availability.

Transformation Work in Progress

14. The Hybrid Datacentre model to provide cheaper data storage and back up on physical servers is in train. This is an alternative to the virtual servers provided by our infrastructure providers SCC. The file archiver is now up and running, and we are gradually moving 'cold' files out of the SCC datacentre onto a pair of synchronised archive servers in the Town Hall and St Aldates. Additional significant benefits will be realised by archiving Exchange mailboxes, and applications databases. This will help ensure compliance with the new requirements of the General Data Protection Regulation that come into force in May 2018. The next steps are to remove approximately 70 non-production, test and development servers from the SCC datacentre, resulting in a highly significant drop in consumption charges. These servers will begin to migrate from the beginning of December. In total, we should be reducing consumption by 90 virtual CPUs and 200 Gb virtual RAM, resulting in significant cost reductions. This work is anticipated to be finished by mid-February 2018.
15. The design for the Local Area Network refresh has now been finalised, and we are in advanced discussions with a local supplier to deliver both wired and wireless network upgrades in St Aldates, and the Town Hall. The work is expected to be finished by 31st March 2018.
16. The End-User Device strategy has been agreed by the One Council Board. This sets out the design and implementation principles for replacing items including the organisation's laptops, work stations and tablets. We are just starting to analyse the 'worker-types' required, ensuring we provide the best device for each type of user as determined by their role, location, working habits, and applications used. The procurement process should be completed by end of February 2018, and we aim to begin deploying devices by the end of March 2018. It is anticipated that the roll out of approximately 1100 devices will take in the region of 6-9 months, and will be largely accomplished with in-house resources.
17. Preparation for migration to Windows10 is under way and implementation will be aligned with the refresh of End User devices, as Windows7 goes out of support in 2020.
18. A test image for Windows10 has been built, and ICT users systems are being upgraded to support "dual boot" with legacy Windows7. This means ICT staff can test applications for Windows10 compatibility, while retaining access to current production operating systems for support purposes. This should be completed shortly. Application compatibility testing for all council enterprise applications will identify areas requiring remediation, and from this identification of solutions. This work is already underway, and the ICT applications development and support team are making good progress.
19. We are currently reviewing our current Citrix environment, and it is likely the approach taken will be to re-develop this platform rather than build again from

scratch on the basis it will be faster and cheaper. We are working with Citrix to develop a proposal for a phased deployment to support Windows10, and an upgrade to the current 6.5 system to ensure legacy applications remain compatible with Windows10.

20. A project brief for the approach to Member's ICT has been accepted by the Member's ICT Group and a Project Initiation Document has been signed off by the One Council Board. Testing of an improved iPad has been carried out by 6 members over a four week period. This has proved to be successful, and plans to roll out to all members in 2018 are currently being drafted.

ICT Work Plan

21. There are currently 16 'live' projects in delivery in the 2017/18 ICT Work Plan with a further 20 awaiting resource allocation and scheduling. There is one item showing as amber, none as red. The amber item is HMO Licensing Online form, which has been delayed in waiting for user sign off.
22. Significant ICT projects currently underway include: Agresso and Paris upgrades, the replacement of the Northgate Housing system, and potential associated Servitor activity for Direct Services, the ICT work stream for the LATCO implementation; the end user device replacement programme; developments required for the new General Data Protection Regulation; and the ICT Transformation Plan itself. Projects recently completed include: Connect & Serve for landlords; the Netcall Liberty upgrade; the PARIS upgrade and most recently Webchat, which allows website visitors to communicate in real time with council staff to help guide them to the pages they are looking for. The webchat feature is managed by the Customer Service Centre. We have also recently updated the Contact Us page, and website visitors can now navigate more easily to the specific service they need, and find out how to apply online or the other ways they can contact the council about their enquiry.

ICT Audit Recommendations

23. There are 3 outstanding recommendations relating to the Cyber Crime audit. Actions in progress to address the issues raised are:
 - The Information Security and Acceptable Use policies are both being revised to incorporate additional guidance for users associated with the General Data Protection Regulation (GDPR) and cyber security.
 - The information asset register is also being reviewed and audited for completeness.
 - Training materials are being reviewed and updated with additional GDPR and Cyber Security guidance. GDPR training sessions are being rolled out.

Financial implications

24. The 2018-19 Consultation Budget and Medium Term Financial Plan approved at City Executive Board on 20th December 2017 includes budgetary provision for an additional £800k expenditure over the next two years and ongoing increased spend of £200k per annum on the ICT service. This is sufficient to meet the requirements of the restructure referred to above and deliver the benefits identified. In addition to the above there is provision in the Capital Programme for

around £450k per annum for ICT infrastructure and hardware including for the refresh of 'end point devices' i.e. laptop, keyboards, monitors etc. as well as additional provision for the refresh and implementation of major systems such as Housing Management and job costing system which is currently being undertaken.

Legal issues

25. There are no legal implications arising from this report

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Please note in the table below the version number of your report that was finally cleared at each stage

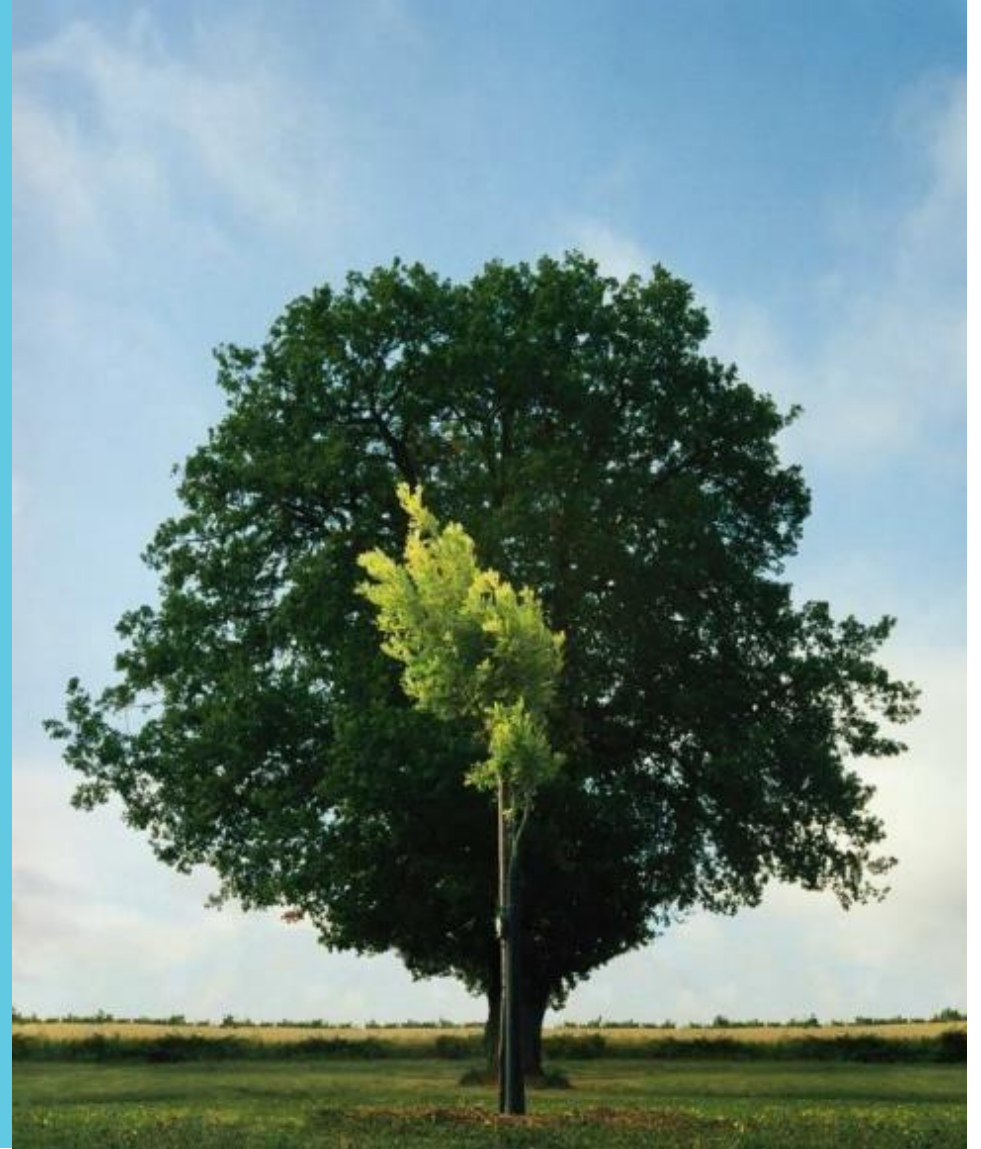
Report Stage	Version Number
First Draft <i>Cleared by Service Manager/ Head of Service</i>	
Second Draft: <i>Cleared by Legal/ Finance</i>	
Final Draft <i>Cleared by lead Member</i>	

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Oxford City Council

INTERNAL AUDIT PROGRESS REPORT

35
January 2018



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PROGRESS AGAINST 2017/18 INTERNAL AUDIT PLAN

Internal Audit

This report is intended to inform the Audit and Governance Committee of progress made against the 2017-18 internal audit plan which was approved by the Audit and Governance Committee in March 2017.

Please note that our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the Audit Sponsor, identifying the headline and sub-risks which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

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Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in appendix II of this report, and are based on us giving either "substantial", "moderate", "limited" or "no" assurance. The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Work outside of the Internal Audit Plan

The following changes have been made:

- An additional review for the Capital Pooling Return Certification was undertaken.

Overview of 2017/18 work to date

We have completed and finalised the reports for:

- Audit 2, Accounts Payable
- Audit 10. Council Tax and Business Rates
- Audit 12. GDPR
- Audit 13. Recruitment and Retention
- Audit 17. Housing Rents.

We have also completed a review of:

- Audit 21. Capital Pooling Grant Certification.

For those reports issued with Moderate opinions and above, the Executive Summary is enclosed in this report.

No reports have received a Limited Opinion at this Committee.

Please note that Audit 16. Companies Review has been issued in draft.

Other Reports

- Follow-Up of Recommendations.

PROGRESS AGAINST 2017/18 INTERNAL AUDIT PLAN

The reviews to be completed for the period 1 April 2017 to 31 March 2018 were agreed at the March 2017 Audit Committee.

Name of review	Audit Sponsor	Agreed Days	Planning	Fieldwork	Reporting	Committee Reported to	Assurance	
							Design	Effectiveness
EFFICIENT, EFFECTIVE COUNCIL								
Audit 2, Accounts Payable	Nigel Kennedy	10	✓	✓	✓	January 2018	Moderate	Moderate
Audit 3. Payroll and Overtime	Nigel Kennedy / Helen Bishop	10	✓	January 2018				
Audit 4. General Ledger	Nigel Kennedy	40	Removed from the Audit Plan					
Audit 5. Income Generation (non-Direct Services)	Nigel Kennedy	13	✓	January 2018				
Audit 6. Payment Card Industry Data Security Standard (PCI DSS)	Nigel Kennedy	12	✓	February 2018				
Audit 7. Freedom of Information	Lindsay Cane	12	✓	✓	✓	June 2017	Moderate	Moderate
Audit 8. Counter Fraud Review	Scott Warner	15	✓	✓	✓	September 2017	Moderate	Substantial
Audit 9. Budget Setting and Monitoring	Nigel Kennedy	15	✓	✓	[February 2018]			
Audit 10. Council Tax and Business Rates	Nigel Kennedy	10	✓	✓	✓	January 2018	Substantial	Moderate
Audit 11. Cyber Crime	Helen Bishop	14	✓	✓	✓	September 2017	Moderate	Limited
Audit 12. GDPR	Helen Bishop	12	✓	✓	✓	January 2018	Moderate	Moderate
Audit 13. Recruitment and Retention	Nigel Kennedy	15	✓	✓	✓	January 2018	Moderate	Moderate

PROGRESS AGAINST 2017/18 INTERNAL AUDIT PLAN

The reviews to be completed for the period 1 April 2017 to 31 March 2018 were agreed at the March 2017 Audit Committee.

Name of review	Audit Sponsor	Agreed Days	Planning	Fieldwork	Reporting	Committee Reported to	Assurance	
							Design	Effectiveness
VIBRANT, SUSTAINABLE ECONOMIES								
Audit 1. Car Parking	Nigel Kennedy	12	✓	✓	✓	June 2017	Substantial	Moderate
STRONG, ACTIVE COMMUNITIES								
Audit 14. Fusion Partnership Arrangements	Ian Brooke	12	✓	✓	✓	September 2017	Moderate	Moderate
MEETING HOUSING NEEDS								
Audit 16. Companies Review	Stephen Clarke	15	✓	✓	✓	[TBC]		
Audit 17. Housing Rents	Nigel Kennedy	13	✓	✓	✓	January 2018	Substantial	Moderate
ADDITIONAL REVIEWS TO THE AUDIT PLAN								
Audit 18. Disabled Facilities Grant	Nigel Kennedy	5	✓	✓	✓	September 2017	N/A	N/A
Audit 19. Benefits Team Plan Comparison	Nigel Kennedy	2 (carry forward from prior year)	✓	✓	✓	September 2017	N/A	N/A
Audit 20. Cash Handling	Nigel Kennedy	15	✓	✓	✓	September 2017	Moderate	Moderate
Audit 21. Capital Pooling Return	Nigel Kennedy	7	✓	✓	✓	January 2018	N/A	N/A

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EXECUTIVE SUMMARY – AUDIT 2. ACCOUNTS PAYABLE

OXFORD CITY COUNCIL STRATEGIC OBJECTIVE THIS REVIEW RELATES TO

An Efficient and Effective Council: A customer-focused organisation, delivering efficient, high-quality services that meet people’s needs.

LEVEL OF ASSURANCE (SEE APPENDIX IV FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX IV FOR DEFINITIONS)

High

Medium  2

Low  3

Total number of recommendations: 5

OVERVIEW:

Oxford City Council’s (the Council’s) account payables central team is led by the Strategic Payments and Procurement Manager who is supported by the Payments Team Leader and Payment Officers. From 1 April 2017 to 6 September 2017, there was a total of 16,136 transactions recorded on Agresso (£24,847,845.00 in value). See Appendix II for further analysis. In addition, the Council has also set up a wholly owned housing company whose accounts payable system has not been fully implemented. See Observation for more detail.

During this review the following areas of good practice were noted:

- Policies and procedures are readily available on the share drive and reflect current practice
- There are consistent segregation of duties for purchase orders (POs) raised within the P2P system
- The accounts payables team carried out sufficient due diligence procedures for new suppliers and changes of supplier details
- Monthly meetings are formally held within the accounts payables team and adequately documented . There is clear evidence of discussion on monthly KPI reports in the monthly accounts payable team meetings.

However the following areas of improvement were noted:

- Procurement card transaction are not reviewed and approved in a timely manner and the Payment Officer has limited ability to monitor procurement card transactions (see Finding 1 - Medium)
- There are no segregation of duties identified within Servitor/Key2 system, as the same individual was able to raise a purchase order, approve and match to the goods received note (see Finding 2 - Medium). The activities of Servitor/Key2 are outside the remit of the central Accounts Payable Team and are the responsibility of Direct Services. However, Direct Services is moving into a Company from 1 April 2018 and therefore this day to day operation will not be the responsibility of the Council but the issue still stands.

Conclusion

We have issued two medium and three low level recommendations that we believe will improve the control environment. Furthermore, from our testing and observation of the control environments we have not identified any high recommendations or significant instances of non-compliance of controls in place. As a result we conclude moderate assurance on both the design and operational effectiveness of the controls. The overall controls in the Accounts Payable Team are considered sound and to be operating generally well subject to some isolated exceptions.

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EXECUTIVE SUMMARY – AUDIT 10. COUNCIL TAX AND NNDR

CLIENT STRATEGIC RISKS		
Risk	Efficient, Effective Council	
LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		
Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)	
High	
Medium	2
Low	1
Total number of recommendations: 3	

OVERVIEW

Background

4 Business rates and council tax are property taxes on businesses and residential properties. In 2016 -17 Oxford City Council collected £89m and £77m respectively, with the collection rate for council tax being 98.5% and business rates 98.27%. The collection rates for 2017-8 to date stand at 56.74% and 58.01% respectively.

Oxford City Council uses the Academy system to record and monitor this revenue. Bills and reminders are system generated in the Critiqom system using set parameters to ensure that billing and follow up is timely. For example, reminders are sent out seven days after a payment due date where a payment has not been received.

The income collected from these taxes fund local services, so it is imperative that the controls around billing and collection are reliable. The purpose of our review was to provide assurance that appropriate arrangements are in place and operating effectively in relation to the billing, collection and debt recovery of business rates and council tax charges.

During our review we identified the following areas of good practice:

- The Council has a strong control environment in place with regard to the collection of council tax and business rates, via its automated system and regular integrity checks
- Each of our sample was banded and billed correctly, with appropriate and accurate discounts and exemptions applied where relevant
- Clear and useful monthly KPI reports are produced and discussed at team meetings, helping management retain sight of their objectives.

However, we identified the following weaknesses :

- The Academy system has a free text notepad function where staff can write in notes related to the account. We found that dates and details are not always fully recorded, particularly when data was entered by contact centre staff (Finding 1)
- There was a small difference (£8,020.62) in monthly reconciliation between Agresso and Academy for business rates in September 2017 and unresolved discrepancies in reconciliations were not monitored (Finding 2)
- Within our council tax sample, a reminder had been sent out to a customer over two months after the payment due date, which is longer than the seven days parameter, although upon investigation it transpired it was a council-owned property. (Finding 3).

Conclusion

Overall we have raised two medium and one low level recommendations. The Council has a very strong control environment in place with regard to the recording, billing and chasing of council tax and business rates charges, derived from the use of the Academy system and regular reconciliations and reporting, which has led us to conclude the Council has substantial controls in place. However we identified weaknesses around the reconciliation process, and the inconsistent use of notepad within the Academy system by contact centre staff, which indicates small room for improvement in the operating effectiveness of these controls

EXECUTIVE SUMMARY – AUDIT 12. GDPR


COUNCIL STRATEGIC RISKS

Risk	The Council is not compliant with the requirements of the GDPR on May 25 2018.
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DIRECTION OF TRAVEL

The Council is making good progress towards being compliant with the requirements of the GDPR by 25 May 2018.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

Medium		1
Low		1

Total number of recommendations: 2

OVERVIEW

The purpose of our review was to assess the actions that have been taken and are being planned for by the Council so that it is compliant with the requirements of the General Data Protection Regulation (the GDPR). In response to a growing concern about how personal identifiable information is collected and processed by organisations, the European Union approved the GDPR in April 2016. The GDPR will come into effect on the 25 May 2018 and the Information Commissioner’s Office (ICO) and the UK Government have confirmed that the withdrawal from the European Union will not affect the adoption of the GDPR into law.

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The two year transition period is indicative of the scale of the work that is required for organisations to move from the existing requirements of the Data Protection Act 1998 (DPA) to the GDPR. Public sector organisations, particularly those within local government, are now required to strike a balance between the requirements of the GDPR and other statutory and regulatory obligations when processing personal identifiable information.

As with the DPA, the GDPR will regulate how organisations are able collect, process and store personal identifiable information as well establishing the rights of the individual in relation to their own information. Personal identifiable information is defined as being any information relating to a living individual who can be identified:

- From the data that is held by the data controller
- From the data and any other information that is in the possession of, or is likely to come into the possession of, the data controller including any expression of opinion about the individual or any indication of the intentions of the data controller or any other person in respect of the individual.

The GDPR continues to use the terms ‘data controller’ and ‘data processor’ that were established as part of the DPA. Significantly, the GDPR now makes the data controller, which is the organisation that owns the data that is to be processed, responsible for ensuring that the data processor is operating in a manner that is consistent with the GDPR. Failure to do so could result in action being taken against both the data controller and the data processor in the event of a breach.

Organisations will be required to obtain the explicit and informed consent of the individual for their data to be collected, processed and retained. Furthermore, under the GDPR the individual will have the additional rights to access, amend, transfer and request that their information be erased, which were not clarified under the DPA. Organisations will be mandated to report any breaches to the ICO.

The GDPR further strengthens the type of action that the ICO can take against an organisation when a breach occurs. The levels of fines that were capped at £500,000 under the DPA have been raised to up to either 2% of global turnover or £10m, whichever is greater.

The council has appointed an external consultant to provide advise and support the Council to prepare for the introduction of the GDPR. An action plan has been developed, which sets out the actions to be taken from August 2017 through to May 2018.

EXECUTIVE SUMMARY – AUDIT 12. GDPR

OVERVIEW (Cont.)

The Council has established a Data Protection Steering Group for management support and direction for GDPR compliance in order to facilitate continual improvement around Data Protection. The Head of Business Improvement and the Head of ICT are leading the GDPR compliance work by co-ordinating project work streams.

We found the following examples of good practice:

- **Gap Analysis and GDPR Planning:** The Council has completed a gap analysis of its existing data protection arrangements against its obligations under the GDPR. From this gap analysis, a defined GDPR action plan has been produced, which establishes a risk based plan to address the issues identified. We found that the GDPR action plan establishes the work streams that will be completed, the timescale for the delivery, the members of staff responsible. Furthermore, the plan clarifies the areas that must be addressed so that the Council will comply with the GDPR
- **Appointment of a Data Protection Officer:** As a data controller, the Council is required under the GDPR to appoint a Data Protection Officer who will be responsible for activities which includes being accountable for data protection across the Council and independently reporting on issues to Senior Management. The Council has identified that the recently appointed Head of Law and Governance will assume the role from May 2018
- **Awareness and Training:** The Council has amended its induction training so that all new members of staff will be provided with guidance on the GDPR. An awareness programme has been initiated to provide all members of staff across the Council with information, guidance and support on how they will be affected by the changes to the law
- **Explicit Consent:** The change from implicit consent to explicit and informed consent is one of the most significant changes introduced under the GDPR and the Council is exploring the potential to implement a consent management tool. This tool will support the Council in managing how it obtains and records individual consent.
- **Information Asset Register:** GDPR requires to record all the data processing activities for privacy management program initiatives. The Council has embedded an Information Asset Register template that will record the Council's personal identifiable information, where it is located and how it flows internally and externally. The Information Asset Register will be subject to an annual audit to confirm that the information is up to date.
- **Breach Register:** In the event of a data breach, the GDPR obligates the data controller to communicate with all individuals effected without undue delay. Furthermore, the data controllers are now required to notify the ICO of breaches depending on the severity. The Council, as part of its GDPR action plan, has developed a Breach Register that will record when a breach has been identified, reported, investigated and resolved.
- **Data Protection Policy:** The Council has reviewed and updated its Data Protection policy to include appropriate measures to demonstrate compliance with the requirements of the GDPR.

We found that the Council's GDPR action plan does not include the following areas, which would support the Council in demonstrating compliance with the requirements of the GDPR:

- **Records Retention:** Having a records retention schedule will help to ensure that the Council only holds records that contain personal identifiable information for as long as is necessary, as well as establishing a framework for it to be able to respond to requests from individuals for information to be erased. It was observed that the Council has revised the GDPR action plan after the initial conversation, to review and update the retention policy and to be made available on the intranet by January 2018.
- **Privacy Impact Assessments:** Under the GDPR, the Council will need to be able to demonstrate that all of its processes that involve the use of personal identifiable information incorporate the principle of 'privacy by design'. Although, the Council preforms Privacy impact assessments for some areas, this will require that the Council perform privacy impact assessments over all new and existing procedures as determined in the GDPR action plan. The Council has developed a draft PIA advice, but it does not include to identify, assess and mitigate or minimise privacy risks with data processing activities.
- **Rights of the Individual:** The Council's GDPR action plan does not include defined procedures for responding to requests from individuals to be informed about how their information is being processed or for the use of the information to be restricted.

EXECUTIVE SUMMARY – AUDIT 12. GDPR

OVERVIEW (Cont.)

The Council has taken pro-active steps to identify the areas where it is not compliant with the requirements of the GDPR and to determine that action that needs to be taken. Delivery of the programme of work associated with the GDPR action plan will require the ongoing support of senior stakeholders from across the Council as any delays could jeopardise its delivery. When delivered, the Council's data protection governance structure will help to foster the public's trust in how it collects, processes and retains their personal identifiable information. We conclude that the Council is taking appropriate steps and that it is on course to establishing an effective governance structure in line with the requirements of the GDPR.

EXECUTIVE SUMMARY – AUDIT 13. RECRUITMENT&RETENTION



OXFORD CITY COUNCIL STRATEGIC OBJECTIVE THIS REVIEW RELATES TO

An Efficient and Effective Council: A customer-focused organisation, delivering efficient, high-quality services that meet people’s needs.

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

High		
Medium		5
Low		1

Total number of recommendations: 5

OVERVIEW:

The Council aims to hire and retain the best people and achieve its vision of building a world class city for everyone. The recruitment process in the Council involves the department managers, relevant business partners, Finance department and the HR team. Agency staff are recruited and managed by Reed, the recruitment specialist that supplies all temporary employees to the Council on request. From April to September 2017, the Council employed 23 agency staff and 1,470 substantive staff on average, and paid £280k and £3.4 million respectively per month.

During this review the following areas of good practice were noted:

- The Council recognises the benefits for employer and employee in maximising modern work style opportunities. This includes cost and carbon savings, better service delivery, increased staff morale and flexibility
- The Recruitment team provides sufficient support to the recruitment manager in relation to drafting job descriptions, shortlisting candidates, designing assessment criteria, providing interview feedbacks, etc.
- Regular monitoring meetings are arranged between the Council and Reed, including weekly catch ups, monthly performance review meetings and quarterly higher level contract review meetings. Adequate oversight has been exercised over quality and spend on Agency staff

However the following areas of improvement were noted:

- To finalise a paper currently in draft which sets out clearly future monitoring arrangements for recruitment performance indicators and key challenges/actions to be undertaken by the HR Team
- There is not guidelines on expected timeframes for each stage of the recruitment process along with insufficient focus on Hiring Managers who do not recruit often
- No trend analysis has been carried out in the HR team, to help decrease agency expenditure
- No Retention Strategy has been established in the Council, and no effective method is employed to learn from the reason for leavers
- The Council do not currently integrate the use of Social Media effectively into the majority of recruitment campaigns and this should be done
- One employee’s DBS record is still kept in the HR database, which is not compliant with legal requirements.

Conclusion

We have issued five medium and one low level recommendations that we believe will improve the control environment. Furthermore, from our testing and observation of the control environment we have not identified any high recommendations or significant instances of non-compliance of controls in place. As a result we conclude moderate assurance on both the design and operational effectiveness of the controls.

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EXECUTIVE SUMMARY – AUDIT 17. HOUSING RENTS

OXFORD CITY COUNCIL STRATEGIC OBJECTIVE THIS REVIEW RELATES TO

Efficient, Effective Council: A flexible and accessible organisation, delivering high-quality, value-for-money services

LEVEL OF ASSURANCE (SEE APPENDIX III FOR DEFINITIONS)

Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX III FOR DEFINITIONS)

High	-
Medium	1
Low	1

Total number of recommendations: 2

OVERVIEW

As at March 2017 Oxford City Council (the council) managed 7746 council houses, which generated a total income in excess of £19.4 million from April to August 2017. The total value of rent arrears were in the region of £1.36 million of which £0.95 million related to current tenants and £0.4 million to former tenants. The service uses the Northgate system to process and record rent receipts; this holds all customer account information and is able to record and credit payments to the relevant tenant accounts.

During the review we noted the following areas of good practice:

- The policies and procedures reviewed for housing rents were fit for purpose and were reviewed on an annual basis
- There was a robust escalation procedure in place when tenants fell into rent arrears
- We tested a sample of five rent accounts and found that the debt recovery procedure from the seven day reminder letter to court proceedings applications were followed diligently
- Adequate processes were in place whereby rent rates were approved by the cabinet, uploaded by the management accountant and applied to all council properties. These were reflected within the rent accounts and applied to the correct date periods
- Manual adjustments such as refunds, had appropriate supporting documentation attached and were approved prior to being actioned
- Five out of five write off cases tested had appropriate supporting documentation in place, adequate reason for sign off and appropriate authorisation in place.
- The Council are currently in the process of finalising a housing management system which will automatically interface with the Agresso system. Currently the Council are completing an interface between Northgate and Agresso manually (annual basis). No errors occurred through this process.

However we also found the following areas for improvement:

- Whilst rent arrears were identified and adequately underwent the debt recovery escalation process from seven day reminder letter to court proceedings, three out of five cases were not monitored effectively post case proceedings with two of the cases leading to payments not being made (Detailed Finding 1).

Conclusion

We have issued one medium and two low level recommendations concluding that there is a sound system of internal control designed to achieve system objectives. However, there was evidence of non compliance with some controls, that may put some of the system objectives at risk leading to a moderate assurance on operational effectiveness. The Council should ensure it monitors rent accounts that have been susceptible to court proceedings.

OTHER INTERNAL AUDIT WORK

CAPITAL POOLING RETURN

The purpose of this mandatory review is for an independent auditor to provide an Assurance Report on the quarterly Pooling of Housing Capital Receipts return entered onto LOGASNET. As part of this review we were required to validate the accuracy and completeness of entries made in relation to capital transactions for example:

- Right to Buy (or equivalent) receipts
- Right to Buy (or equivalent) sales
- New-Build Expenditure .

Further to this we also assessed arrangements to ensure claims and returns are completed accurately and in accordance with the scheme terms and conditions. A control environment upon which reliance can be placed is likely to include: evidence of grant terms and conditions being identified and reviewed and action taken at an early stage to collect the information that will be required to demonstrate entitlement to grant; comprehensive documentation; ongoing monitoring of compliance with terms and conditions; monitoring and compliance with deadlines.

Conclusion

We identified no significant (or otherwise) errors or omissions to report and the claim was completed on time by Officers and audited in line with the deadlines by internal audit.

We certified the claim with no issues to report.

APPENDIX I – DEFINITIONS

The below table sets out the definitions for the assurance levels and recommendation significant we issue in our audits.

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.
Recommendation Significance				
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			

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EXECUTIVE SUMMARY - AUDIT 8. FUSION

OXFORD CITY COUNCIL STRATEGIC OBJECTIVE THIS REVIEW RELATES TO

A vibrant and sustainable economy. A smart and entrepreneurial city with a thriving local economy supported by improved infrastructure, training and skills

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

High	-
Medium	3
Low	1

Total number of recommendations: 4

OVERVIEW:

Fusion Lifestyle (Fusion) works in partnership with Oxford City Council (Council) to manage five local leisure facilities. Fusion are a social enterprise with a charitable status. This review was to assess the contractual arrangements in place and assess whether these are reasonable to achieve the objectives of the contract and ensure correct payment are made. As part of the review discussions were held with Contract Managers from Fusion and the Council and we also attended the Monthly Performance Meeting and Quarterly Partnership Board Meeting. The evidence requested was provided.

During this review the following areas of good practice were noted:

- From a sample of 20 transactions during the last 12 months we found that all payments to/from Fusion and the Council were made in line with the contract
- Through review of minutes and attendance of meetings we conclude that the attendance of meetings is good as it includes the Head of Service and Lead Member on a quarterly basis. Furthermore, the discussions were open, organised and set clear actions and action owners which were followed up each meeting
- The governance and key stakeholders have been clearly identified. Also, data provided by Fusion is on the whole substantial and monthly performance packs provided are done so promptly
- Customer feedback via formal surveys demonstrates a good service across all sites and benchmarking has identified that pricing is reasonable.
- The Leisure Partnership Board also has wider user representatives to inform strategic delivery. This includes: older people, health partners, young people and the shadow board member.
- The Council has demonstrated added value for money with a social value return on investment of circa £18m.

However the following areas of improvement were noted:

- Fusion General Managers for each site need to set up regular Customer Panel Meetings at least on a quarterly basis to achieve the right level of customer engagement. They need to also be invited to the Partnership Board Meeting (Finding 1 - Medium)
- Despite numerous requests the Council do not have read-only access to the Performance Scorecard (Finding 2 - Medium)
- The Risk Analysis document is not discussed collaboratively between Fusion and the Council (Finding 3 - Medium).

EXECUTIVE SUMMARY - AUDIT 8. FUSION

OXFORD CITY COUNCIL STRATEGIC OBJECTIVE THIS REVIEW RELATES TO

A vibrant and sustainable economy. A smart and entrepreneurial city with a thriving local economy supported by improved infrastructure, training and skills

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

High	-
Medium	3
Low	1

Total number of recommendations: 4

OVERVIEW:

Conclusion

Overall we have raised 1 Low and 3 Medium Recommendations. The contractually activities and payments are considered to be designed effectively as there is a regular monthly performance meeting and established quarterly meetings with the relevant stakeholders attending. All meetings are minuted and supported by performance packs which results in a Moderate Opinion for Design. The Control Effectiveness is also considered Moderate because although improvements around customer engagement and risk analysis have been identified, there are some controls in place in this area which demonstrate discussion and actions in these two areas takes place. The control design and effectiveness at least compares with or exceeds those of other audited authorities / leisure contracts, and Fusion may see Oxford City Council as a strategic partner (i.e. Oxford Brand, Performing Council etc).

Comparison to other councils

We have undertaken leisure contract management reviews at other councils and conclude that the arrangements in place at Oxford City Council are clearly more advanced and developed than the average. This is particularly in the following areas:

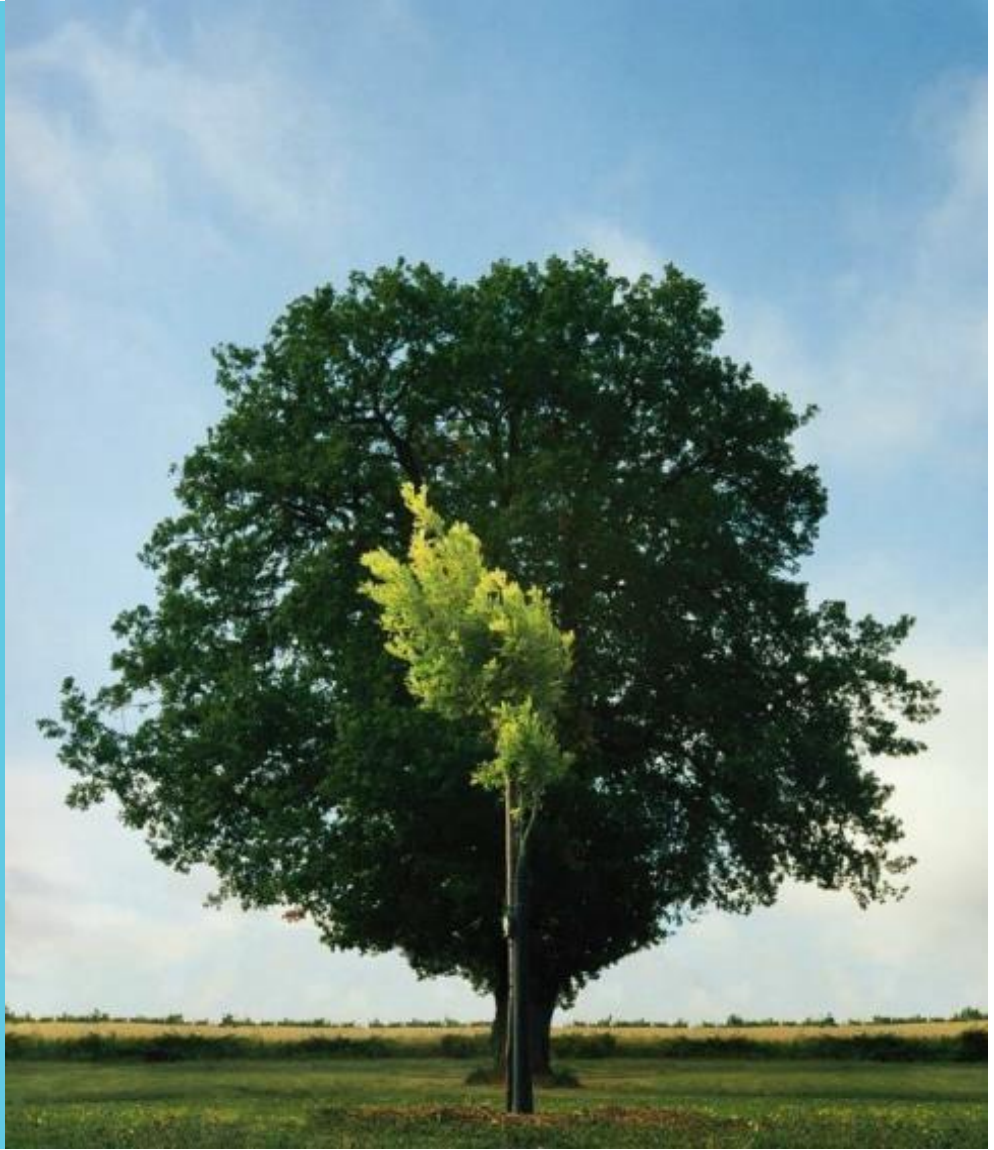
- Governance - the Council go beyond the typical monthly/annual performance meetings with the Partnership Board Meeting and involvement of Lead Member at this meeting. Through discussion with both parties there is in the main clear and open communication and meetings were minuted with clear action that are followed up
- Reporting - the Council receive monthly performance packs timely with good volumes of useful data to support their scrutiny.

It should be noted that this report cannot conclude whether the contract is delivering value for money however, this review did assess this and found that arrangements to ensure the achievement of this are in place via benchmarking, consultant market analysis and regular contract performance meetings.

OXFORD CITY COUNCIL

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

December 2017



INTRODUCTION AND EXECUTIVE SUMMARY

Introduction

Ahead of each Audit and Governance Committee we follow-up those recommendations raised by Internal Audit which are due for implementation. We request commentary by responsible officers on the progress to our recommendations and for those High and Medium recommendations due we verify progress to source evidence and conclude either that the recommendation is complete or incomplete.

There were **21** recommendations due for December 2017 comprising of Two High recommendations and 19 Medium recommendations.

Executive Summary

Please find below a summary of the **21** recommendations that were due for completion prior to the January 2018 Audit and Governance Committee:

2015 - 2016 Recommendations

- Two Medium recommendations have been implemented and can be removed from the Recommendations Tracker

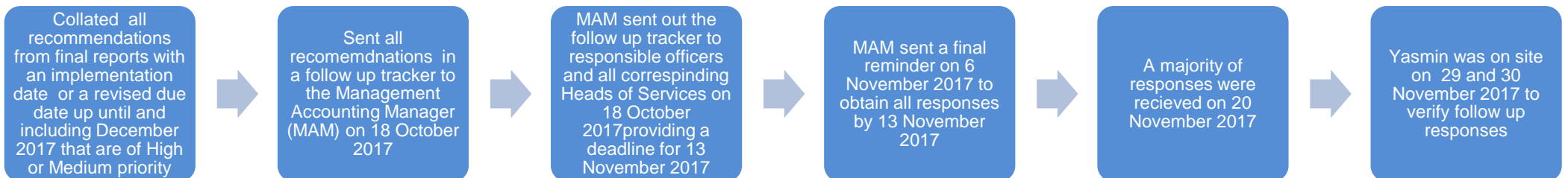
2016 - 2017 Recommendations

- Two High and Eight Medium recommendations have been implemented and can be removed from the Recommendations Tracker
- Five Medium recommendations are not complete and have all been given a first, second, third or fourth revised due date. These recommendations will continue to be followed up until they are complete we will:
 1. Continue to emphasise to staff to be realistic about the implementation dates when completing their management responses at the completion stage of each internal audit review
 2. Issue the recommendations tracker to all the relevant Heads of services on a monthly basis from the December audit committee onwards
 3. Issue reminder emails 6 weeks prior to the follow up review to ensure timely completion of each recommendation
- One Medium recommendation has been downgraded to a low level recommendation and therefore removed from the Follow up tracker

2017 - 2018 Recommendations

- Three Medium recommendations have been implemented and can be removed from the Recommendations Tracker

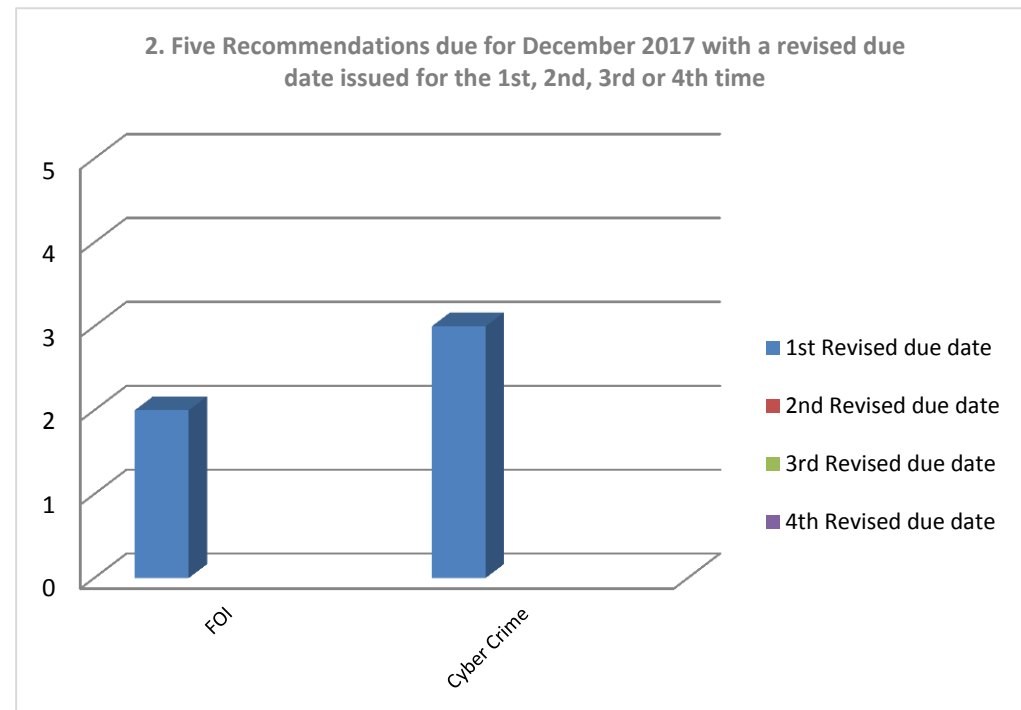
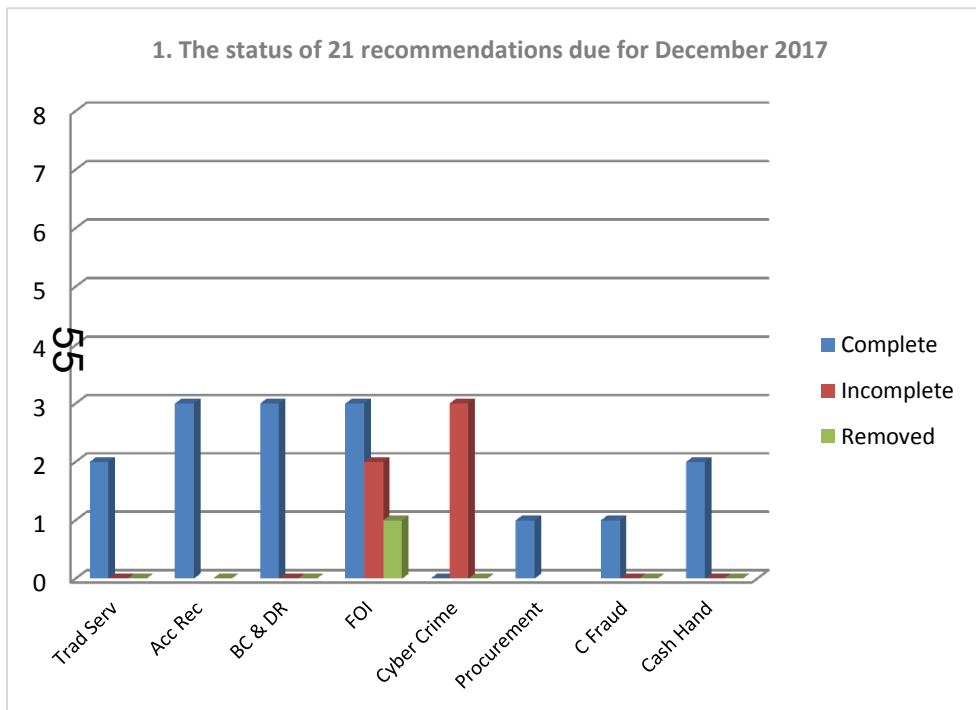
Flowchart of the follow up process – below we have included a process flow chart to explain how follow up responses are obtained timescales are achieved



INTRODUCTION AND EXECUTIVE SUMMARY

The charts below reference the number of recommendations due up until and including December 2017. In total there were **21** recommendations due for follow up, chart 1 demonstrates the number of recommendations due for December 2017 of which, **15** recommendations were complete **5** were incomplete and **1** removed.

Chart 2 demonstrates the number of recommendations incomplete; of the **21** recommendations **5** were incomplete. We issued **5** recommendations with a first revised due date this was for Cyber Crime and Freedom of Information.



Please note the number of incomplete recommendations have decreased in comparison to the previous Follow up report issued in September 2017:

Month	No. of Recommendations incomplete	No. of Recommendations complete	% of recommendations incomplete (Incomplete/Total Recommendations)
June 2017	14	26	35% (14/40)
Sept 2017	10	25	29% (10/35) ↓
Dec 2017	5	15	23% (5/21) ↓

RECOMMENDATIONS COMPLETE

Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Original Due Date	Notes on Completion
2015 – 16 Trading Services	2a) A proposal should be tabled in agreement with the Trading Board and Recruitment which details the challenges and options for resolving the challenges 2b) Formal succession planning actions should be drafted and approved by the Trading Board for critical areas of reliance on critical personnel.	M	Graham Bourton, Head of Direct Services	Graham Bourton, Head of Direct Services	Nov - 16 Nov - 17	We verified that the succession plan was defined and agreed with the trading board and recruitment. The succession plan detailed challenges trading service are exposed to and options available for resolving these challenges. Furthermore, a new head of service has been appointed to manage the succession action plan going forward.
2016 – 17 Business Continuity and Disaster Recovery	5) Management should require that the Council's business continuity and disaster recovery plans are tested on at least an annual basis or following a significant change. The results of all testing performed should be reported to senior management for review.	M	Bill Lewis, Financial Accounting Manager	Nigel Kennedy, s151 Officer	Dec - 17	A full review of the Councils service BCPs and corporate BCP has been undertaken with the assistance of Zurich, the Councils insurance and risk advisors. This started with a workshop with all Heads of Service on 23rd May, followed by a review of all plans which were then further reviewed by Zurich to ensure that these were robust. A date for the test of plans has been scheduled for 18 th October 2017.
2016 – 17 Business Continuity and Disaster Recovery	6) Management should review the use of its Horspath Road offices to support the continuity of its critical services. Where necessary, management should consider identifying alternative locations or the use of remote working facilities. Business continuity plans should be updated to include how members of staff would get to and from its alternative locations in the event of an incident.	M	Bill Lewis, Financial Accounting Manager	Nigel Kennedy, s151 Officer	Dec - 17	

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RECOMMENDATIONS COMPLETE

Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Original Due Date	Notes on Completion
<p>2016 – 17 Business Continuity and Disaster Recovery</p> <p>57</p>	<p>4) Senior Management must produce a defined IT Disaster Recovery Plan that is aligned to the Council's continuity arrangements and includes, but is not limited to:</p> <ul style="list-style-type: none"> •The recovery time and recovery point objectives for IT infrastructure and systems •The procedures for invoking the Plan in the event of a disaster •The procedures and information necessary for communicating with all key members of staff within IT and the wider Council •The procedures for recovering the Council's critical IT infrastructure and systems •The contact information for all third party IT suppliers. Furthermore, Senior Management should require that all third parties involved in the recovery of the Council's IT arrangements provide assurance that their disaster recovery plans are adequate. 	<p>H</p>	<p>Helen Bishop, Head of ICT</p>	<p>Nigel Kennedy, s151 Officer</p>	<p>Mar - 17 Sept - 17</p>	<p>We verified that two Disaster Recovery test scenarios have been completed with SCC at their recovery centre in Birmingham within the last 6 months. The initial test was limited in scope to test the recovery process and obtain confidence that the procedures were in place to affect a recovery. This was completed successfully in March 2017.</p> <p>In October 2017 the council completed a full test of the entire key Infrastructure and Applications environment, with the exception of a small number of specialist production servers that could not be tested in a non-service-impacting way.</p> <p>The output of this has been to inform the DR arrangements within the Operational Manual (Part of the contract), SCC are currently drafting this for OCC for inclusion within the DR and BCP plans.</p> <p>DR and BCP plans are now in place and include a schedule for loading ICT infrastructure and application servers, and have been previously shared with BDO, and are currently under review within not only the ICT department, but in the wider context of a council wide BCP review exercise.</p>

RECOMMENDATIONS COMPLETE

Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Original Due Date	Notes on Completion
2016 – 17 Freedom of Information	<p>1a) The Council should introduce a streamlined approach to process FOI requests. Please see a recommended process flow chart in Appendix I</p> <p>1b) Each service area should nominate an FOI champion to handle FOI requests who is not the Head of Service</p>	M	Mike Newman, Corporate Affairs Lead	Lindsay Cane, Head of Law and Governance	Oct - 17	<p>1a) We verified that a streamlined approach has been agreed by the Corporate Affairs lead and the Head of Law and Governance. This is in line with the process flow chart recommended by Internal Audit.</p> <p>1b) Although there are two heads of services that remain as champions, there are now nominated champions for each service area. The list of champions is circulated within training sessions</p>
2016 – 17 Freedom of Information	<p>2a) The Council should designate at least one further individual to be trained and supported to manage the FOI process. Should the FICO be absent the following teams should be considered:</p> <p>Support from the Corporate Affairs Lead (current arrangement) The PA team Law and Governance Support Staff</p>	M	Mike Newman, Corporate Affairs Lead	Lindsay Cane, Head of Law and Governance	Jul - 17 Nov - 17	The head of service has identified that the Law and Governance support staff will manage and support FOI requests, should the FICO be absent from duties. Duties have been approved by the Head of Law and Governance and arrangements are now in place for the Law and Governance support staff to access the FOI system.
2016 – 17 Procurement	1) The Council ensure that they have an adequate electronic procurement system in place.	H	Amanda Durnan, Strategic Procurement and payments Manager	Nigel Kennedy, s151 Officer	Nov - 17	We verified that there is now an electronic procurement system in place called Pro – Contract. There have been no issues with the new procurement system this far.

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RECOMMENDATIONS COMPLETE

Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Original Due Date	Notes on Completion
2016 – 17 Accounts Receivable	<p>2a) The requirement to perform Customer Due Diligence (CCD) checks must be communicated to all relevant staff setting out the consequences to the Council of non-compliance with legislation</p> <p>2c) As part of the Agresso milestone 6 upgrade (due in March 2017) the Council should enforce a parameter whereby, staff are prompted to ensure that CDD checks have been completed and/or considered prior to submission for authorisation.</p>	M	Neil Markham, Incomes Team Leader	Nigel Kennedy, s151 Officer	Mar - 17 Sept - 17 Oct - 17	<p>The Customer Due Diligence was published in Council Matter on November 28th. Discussion within the Trade Waste / Incomes meeting were around communicating the criteria for photo id and proof of address as a requirement from all new customers.</p> <p>2c) A due diligence box has now been created within the system. Allowing all income officers to check and essentially tick the due diligence box to verify that appropriate checks have been performed.</p>
2016 – 17 Accounts Receivable	3b) Income officers should seek to review the customer creation forms or confirm that they were completed on the creation of a customer	M	Neil Markham, Incomes Team Leader	Nigel Kennedy, s151 Officer	Mar - 17 Sept - 17 Nov - 17	A Customer Amendment Logging Report has been created where it produces a list of all incomes officers who approved the customer creation and the officer who created the customer account on the system. The report has been saved in the following location: M:\Financial-Management-Capital-Strategy\Agresso Report Library\MS4 - from Feb-16\Accounts Receivable and will be produced on a monthly basis for the Incomes team leader to review.

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RECOMMENDATIONS COMPLETE

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Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Original Due Date	Notes on Completion
2017 - 18 Counter Fraud	2) Gap analyses of staff resource and current IT capability should be performed to identify any risks to achieving the annual Investigation Service work-plan, so that actions to mitigate these may be planned for in good time.	M	Scott Warner, Investigations Manager	Nigel Kennedy, s151 Officer	Dec - 17	A business case to propose an enhanced Investigation Team structure has been prepared and submitted to both CEB and One Council Board. The case received full approval at CEB and provisional approval at One Council Board. The case proposes conversion of fixed-term contract staff to permanent establishment posts as well as increased staffing levels on the team to address risk and resilience issues in dealing with team targets as well as commitment to external trading obligations. Additionally, a recruitment campaign for an additional staff member to the existing establishment has recently concluded with a successful appointment.
2017 – 18 Cash Handling	1) Cash tins should be held securely with the key kept separately from the cash box at all times. Include operating procedures for the security controls over the cash boxes. (See recommendation 2 for the procedure note recommendation)	M	Amanda Durnan, Strategic Procurement and payments Manager	Nigel Kennedy, s151 Officer	Sept - 17	We verified that cash tins are held securely and keys are kept separately from the cash box.
2017 – 18 Cash Handling	2) Procedure notes should be designed to instruct teams on cash handling functions, including the frequency of depositing cheques with finance. Provide cash handling leads with refresher training on the findings and recommendations identified as part of this review. Carry out local audits to ensure services are compliant with the agreed procedures	M	Amanda Durnan, Strategic Procurement and payments Manager	Nigel Kennedy, s151 Officer	Sept - 17	Procedure notes are issued and updated on the council intranet - local audits are outside of the Accounts payables remit therefore instructions have been passed to all Service Heads so they can audit their corresponding areas.

RECOMMENDATIONS INCOMPLETE

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Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Due Date	Progress to Date	Revised Due Date
2016 – 17 Freedom of Information	<p>4a) Once the reporting is improved this can help inform the agreement of service area Publication Schemes</p> <p>4b) The Council should adopt the following measures to aid further transparency: Create a platform similar to the 'What do they know' website for select FOI requests Prior to creating an FOI request, prompt the user on whether common subject matters regarding FOI requests have been considered A key word search identifier should be on the FOI request page, where certain key words within the request pop up links to relevant Council pages.</p>	M	Milke Newman, Corporate Affairs Lead	Lindsay Cane, Head of Law and Governance	Dec - 17	<p>4a) This is currently in progress and will be addressed in Jan – 18.</p> <p>4b) Currently reviewing the best approach to create a platform for a publication scheme. The Council are still using the intranet as a current platform to aid transparency.</p>	Jan - 18

RECOMMENDATIONS INCOMPLETE

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Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Due Date	Progress to Date	Revised Due Date
2016 – 17 Cyber Crime	<p>2) Management should review and, where necessary, revise the Council's Information Security policy so that it is reflective of existing ways of working. The policy should include, but not be limited to:</p> <ul style="list-style-type: none"> The responsibilities of all stakeholders with regards to information security, including information asset owners The roles, responsibilities and arrangements that exist between the Council and SCC The procedure for classifying information assets The Council's acceptable use standards The actions to be taken by all parties following the identification of an information security incident. 	M	Vic Frewin, Chief Technology and Information Officer	Helen Bishop, Head of ICT	Oct - 17	<p>Information Security Policy is currently being revised to incorporate additional guidance for users associated with GDPR and cyber security.</p> <p>The SCC Sentinel Platform as a Service solution provides full assurance regarding data security, and is regularly audited and certified. These assurances will be incorporated into the policy.</p> <p>Acceptable Use Policy is also currently under review by the GDPR project team. Changes will be incorporated into the InfoSec policy.</p> <p>The Security Incident currently being evaluated as part of BCP review.</p>	Mar - 18


RECOMMENDATIONS INCOMPLETE

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Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Due Date	Progress to Date	Revised Due Date
2016 – 17 Cyber Crime	3) The Council's draft Information Asset Register should be updated to include: The security controls that have been applied to secure each information asset The at-rest location of each information asset The classification applied to each information asset, in line with the Council's and the Government's Security Classification standards. All required information should be recorded for each information asset. The Information Asset Register should be reviewed and approved by Senior Management and then communicated to all relevant stakeholders.	M	Vic Frewin, Chief Technology and Information Officer	Helen Bishop, Head of ICT	Oct - 17	Asset register is currently being reviewed and audited for completeness, and current asset data is undergoing full review. All data is secured at rest within PSN accredited platform (Sentinel) hosted by SCC All assets are being assessed to identify the correct security assessment of classification. This will be recorded in the asset register, reviewed and distributed.	Mar - 18
2016 – 17 Cyber Crime	4) The training that is provided to all members of staff should be reviewed and updated so that it makes specific reference to information and cyber security issues. This should include, but not be limited to: How to prevent an incident from occurring, such as not responding to emails from unknown or untrusted sources The actions to be taken when a breach is detected.	M	Vic Frewin, Chief Technology and Information Officer	Helen Bishop, Head of ICT	Oct - 17	Current training materials are currently being reviewed and updated with additional GDPR and Cyber Security guidance. GDPR training sessions are being rolled out. Staff notifications are sent in real-time as response to incidents as they unfold. This retains focus. Permanent guidance is available on intranet and via ICT help desk.	Mar - 18

RECOMMENDATIONS REMOVED

Audit	Recommendation made with reference to the corresponding Internal Audit report	Priority Level	Manager Responsible	Head of Service	Due Date	Reason for change of priority level from High to Low or Removal
2016 -17 FOI	<p>1c) Heads of Service should agree on a risk based approach to inform their oversight of FOI requests:</p> <p>Apply a risk based approach to FOI requests i.e. an agreed narrative which helps inform the risk of an FOI request. This may cover risks such as who the requester of the FOI is, if it involves a Member or if it could result in high levels of public scrutiny Each case should be flagged as either High, Medium or Low. Those which are High, must receive approval from the Heads of Service. Those which are Medium and Low should be approved by the FOI Champion.</p>	<p>M L</p> <p>→</p>	Milke Newman, Corporate Affairs Lead	Lindsay Cane, Head of Law and Governance	Oct-17	<p>The Council are currently trying to agree the best approach in adopting a risk based methodology. Management are wary of trying to refrain from rating each FOI case leading to a level of prioritisation as they are all deemed as priority level cases. All risks are rated as high if they exceed 20 working days timescales. Therefore, discussions are currently underway on the best approach to take. In addition, there are a very small number of cases that are not dealt within 20 working days therefore the risk of not responding to these cases in a timely manner is small. As a result, we have revised this recommendation to be a low level recommendation.</p>



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To: Audit and Governance Committee

Date: 11 January 2018

Report of: Head of Financial Services

Title of Report: Risk Management Quarterly Reporting as at 30 November 2017.

Summary and Recommendations

Purpose of report: To update the Committee on both corporate and service risks as at 30 November 2017.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Efficient and Effective Council

Recommendation(s): That the Committee notes the content of the report

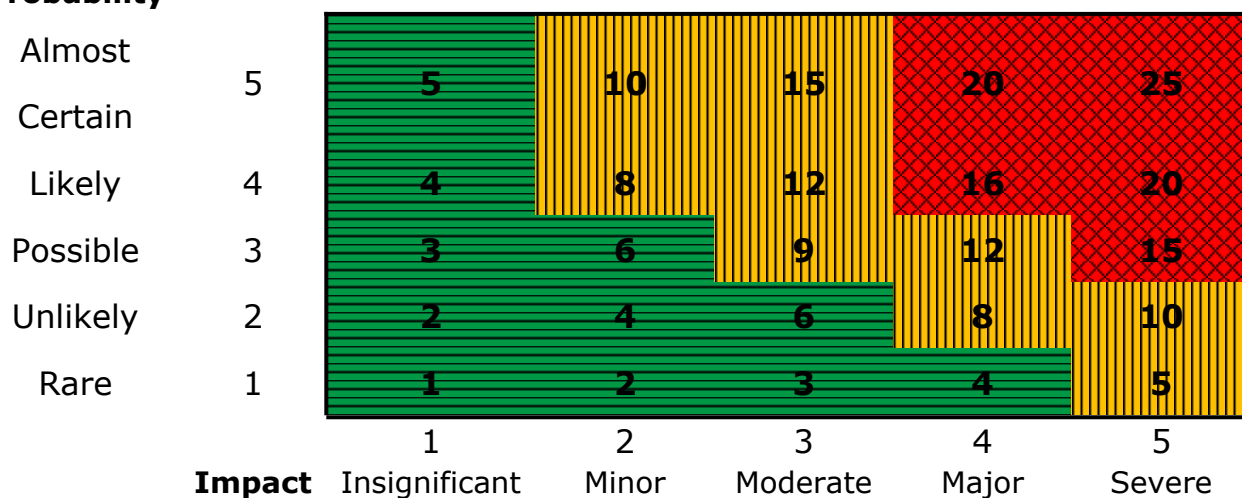
Appendices:

Appendix A Corporate Risk Register

Risk Scoring Matrix

1. The Council operates a 'five by five' scoring matrix. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example if the probability of an event occurring is high but the impact is low it is likely to have a lower rating on the heat map. However, the higher the potential impact score the more likely the event will be classed as a red risk on the matrix.
3. The risk prioritisation matrix is shown below.

Probability



Key:



Risk Identification

4. **Corporate Risks** – The Corporate Risk Register (CRR) is reviewed by the Corporate Management Team (CMT) on a quarterly basis, any new risks are incorporated into a revised version of the CRR. Risk owners of corporate risks are generally Directors.
5. **Service Risks** – Service area risks are reviewed periodically by Heads of Service and Service Managers. The Financial Accounting Manager has oversight of all risks and on a quarterly basis will review service risks to determine whether they should be considered for inclusion in the Corporate Risk Register.
6. **Project and Programme Risk** – The Council adopts the principles of Prince2 methodology for managing projects. Incorporated within this methodology is a robust process for the management of risk within a project environment. Each project is managed by the Project Manager who controls and co-ordinates all aspects of the project through to conclusion.

Quarter 2 Corporate Risk Register

7. Audit and Governance Committee receive information on risk on a quarterly basis. Given the timing of Audit and Governance Committee the information has been provided as at the 30th November 2017 in order to provide the latest information available. The new Corporate Risk Register is attached at Appendix A.
8. There are no Red Risks as at 30th November
9. The number of Amber risks for Q2 increased by one. This was due to the one Red risk for Q1 being down-graded to Amber. This relates to Innovative Arrangements & Models between the Council and its wholly owned companies. The Council has already established its housing company (Oxford City Housing Limited) and is looking to go operational with its Local Authority Trading Company (Oxford Direct Services) in April 2018. As at 30 November 2017, one Green risk for Q2 was upgraded to Amber. This relates to Climate Change and whilst the Summer and Autumn months have been dry, the risk of flood events is more likely in the Winter months. Oxford Flood Alleviation Scheme (OFAS) remains on track but with a funding gap of £4.35M. OFAS is led by the Environment Agency with input by Oxford City Council in terms of partnership funding and significant officer input.
10. The table below shows the levels of red, amber and green residual risks over the last 12 months.

Current Risk	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	30th Nov
Red	2	1	1	0	0
Amber	7	5	7	8	9
Green	1	4	2	2	1
Total risks	10	10	10	10	10

Service Risk Registers

11. Each year as part of the service planning process, all service risks are reviewed, those no longer relevant are deleted, and any new ones are added.
12. The table below shows the number of service risks as at 30th November compared with the last 12 months. Two risks were closed in Q2 and three new risks added. As at 30th November two further risks have been closed and one additional risk has been added.

Current Risk	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	30th Nov
Red	2	2	2	1	1
Amber	41	32	38	40	41
Green	28	34	27	27	25
Total risks	71	68	67	68	67
New risks in quarter	1	1	0	3	1
Closed	2	4	1	2	2

13. There is one red risk at 30th November. This is as follows:-

- Financial Services – relates to Treasury Management and the safety of investments. This risk is red because of the potentially high impact, although the probability of a loss occurring is rated as possible due to the controls the Council has in place around counterparty selection and duration of investment.

Climate Change / Environmental Impact

14. There are no specific impacts arising directly from this report. The appendices set out mitigations against the Council's corporate risks.

Equalities impact

15. There are no equalities impacts arising directly from this report

Financial Implications

16. There are no financial implications arising directly from this report.

Legal Implications

17. There are no legal implications directly relevant to this report but having proper arrangements to manage risk throughout the organisation is an important component of corporate governance.

Name and contact details of author:-

Name: Alison Nash

Job title: Finance Officer (Insurance)

Service Area / Department: Financial Services

Tel: 01865 252048 e-mail: anash@oxford.gov.uk

Formal Risk Summary

(Oxford)

As at: Nov-2017

Ref	Title	Risk description	Risk		Date Raised	Owner	Gross		Current		Residual		Comments	Controls					
			Opp/ threat	Cause			Consequence	I	P	I	P	I		P	Control description	Due date	Status	Progress	Action Owner
CRR-031	Supporting Economic Growth	Uncertainty around the exit from the EU may disadvantage Oxford. Non-delivery or underperformance of key growth-related projects such as Oxford to Cambridge Corridor or the local plan could have a detrimental effect on the local economy	T	The UK decision to exit the EU (Brexit) is already having a negative impact on City and national economy, which could be exacerbated further by continued uncertainty and an exit which is unfavourable to the UK. Locally, this could manifest through loss of funding, impact on business rates, difficulty with encouraging businesses and workers into City leading to loss of skills impacting critical services. In addition there is a concern this could have an impact on universities (and funding). Uncertainty and Exit have a significant detrimental impact on City and Council, socially and economically	- Adverse impact on Oxford economy and its key institutions - Less visitors - Reduced (and or pause in) investment - Impact on regeneration and investment in infrastructure to support growth - Accumulation of changing legislation - lack capacity to deal with multiple issues - Community cohesion affected - Impact on Corporate Plan	1-Apr -2016	Patsy Dell	4	3	4	3	4	3		Impact on business rates is being monitored	31-Mar -2017	Completed	100%	Nigel Kennedy
															Impact on partners being monitored and close liaison with them is being maintained	30-Apr -2018	In Progress	30%	Mish Tullar
															Impact on the local economy is being monitored	30-Apr -2018	Ongoing	100%	Fiona Piercy

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(Oxford)

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		Risk description	Opp/ threat	Cause	Consequence			I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
				regeneration that are linked to growth and regeneration and future economic success. failure to maximise opportunities through bidding for or securing delivery of these projects could impact adversely on maintaining economic success or the type of future growth that Oxford needs in future.										There is a project plan and timescales for the delivery of the local plan and these are being closely monitored and managed.	31-Dec-2019	In Progress	50%	Patsy Dell	
CRR-032	Delivery of financial plan	Unable to balance the Medium Term Financial Plan and hence deliver the Council's Corporate Plan priorities	T	<p>The current budget enables us to fund the Corporate Plan, through the MTFs. There are sensitivities however, as outlined below.</p> <p>The outcome of the Government Business Rate Reform is less favourable than currently predicted with the MTFP.</p> <p>Challenges come from an income perspective, where there is a need to find £6-7m from trading activities. This is in the context that increasing income generally leads to risks around embracing new delivery models and managing demand. In addition there is major uncertainty over EU Grants in future, with them likely to cease and not necessarily be adequately funded from a UK perspective.</p>	<ul style="list-style-type: none"> - Cannot fund priorities - Unable to deliver to plan - Need to make choices / cuts - Unable to transform Council or achieve Income levels 	1-Apr-2016	Nigel Kennedy	4	3	4	3	4	3		<p>Trading activities and risks around these are closely monitored and potential for reductions in income will be highlighted at an early stage in monitoring meetings</p> <p>External advice being commissioned re: Trading Model</p> <p>Respond to Consultation / Lobby through Local Government Association</p> <p>Trading Accounts set up and new Board</p>	31-Mar-2018	In Progress	50%	Graham Bourton
															31-Mar-2018	In Progress	50%	Graham Bourton	
															31-Dec-2018	In Progress	50%	Caroline Green	
															31-Mar-2018	In Progress	50%	Graham Bourton	

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CRR-033	Housing	The Council has key priorities around Housing, including ensuring housing delivery and supply for the City and enabling sufficient house building and investment.	T	Unable to deliver affordable and acceptable housing to a 'required' standard	<ul style="list-style-type: none"> - Insufficient housing in City - Increase in homelessness - Impact on residents - Health and quality of life issues - Adverse publicity - Reputation risk - Perception of unfairness reinforces tensions around immigration 	1-Apr -2016	Stephen Clarke	5	4	3	3	3	2		The Council is implementing other delivery methods for temporary accommodation and accommodation for homelessness prevention. Both Real Lettings and OCCs own property fund purchases are on programme. Rent Guarantee scheme launched.	31-Dec -2017	In Progress	80%	Dave Scholes
															The Council has set up a wholly owned housing Company to enable it to better deliver affordable housing. Business plan agreed, loans to company agreed as part of Council budget process, development programme moving to delivery stage.	30-Sep -2016	Completed	100%	Stephen Clarke
															The Council is reviewing its local plan, a key element being how to develop a range of housing tenures to meet the growth in demand. This includes working with surrounding districts on their plans and a review of the green belt.	31-Dec -2019	In Progress	30%	Patsy Dell
CRR-034	Workforce and skills	Most services in house, challenges around recruitment and retention of high calibre staff, geographical proximity to London, high cost of housing, congested transport infrastructure.	T	Not having right skills and capacity to deliver quality and speed in dynamic environment	<ul style="list-style-type: none"> - Staff not accepting change - Lose people - Lack of resilience - Increased absence - Unable to deliver plans and priorities 	1-Apr -2016	Helen Bishop	4	3	3	3	3	3		More creative methods of advertising job roles to attract a wider pool of candidates. Trying to grow our own talent to fill roles.	1-Apr -2018	In Progress	95%	Paul Adams
															Staff non-pay benefits in place and reviewed. Use benefits and market these to attract talent to the organisation.	30-Jun -2016	Completed	100%	Paul Adams
CRR-035	Community Cohesion	The Council needs to be fair and equitable to all, and be recognised as such.	T	There have been increases in racial tensions with pressure on estates and migrant communities. Immigration has led to new communities entering and displacement with a perception of drain on resources e.g. benefits and the local economy. The Brexit vote and outcome has highlighted	<ul style="list-style-type: none"> - Unable to communicate with community - Community fails to integrate - Demonstrations - Increase in abuse and bullying - Divided City - Unrest - People feel excluded 	1-Apr -2016	Ian Brooke	2	2	4	2	4	2		Cross Council Working Group to monitor the situation	31-Mar -2018	Not Started	0%	Catherine Hine
															Focus groups to be used to forward the fairness and equity agenda	30-Apr -2018	Ongoing	20%	David Growcott

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			Opp/ threat	Cause				I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
				differences between estates and affluent areas and has exacerbated this. The Council is not or is not seen to be being fair and equitable to all											Key areas of concern monitored and action undertaken by officers on estates to alleviate tensions	30-Apr-2018	Ongoing	40%	David Growcott
CRR-036	Innovative arrangements and models	The Council is unable to optimise the potential of innovative arrangements and models	T	The Council is exploring and implementing new models of service delivery. e.g joint venture companies. There is a risk that the implications of these are not understood and communicated, politically and operationally, including the impact it will have on roles and governance arrangements.	- Missed opportunities - Council doesn't transform - Potential inertia - Unable to deliver - Uncertainty	1-Apr-2016	Jacqui Yates	5	4	4	3	3	3		Agreements between the Companies and the Council regarding services to be provided and fees for these services are being drafted and finalised. Project teams are in place to support both wholly owned companies	1-Apr-2018	In Progress	70%	Jacqui Yates
															External advice being utilised to optimise Company set-up	1-Apr-2018	In Progress	95%	Nigel Kennedy
															Governance processes are being put in place for each new vehicle. Shareholder agreements & Business plans have been agreed as have schemes of delegation. Directors have attended IOD training.	1-Apr-2018	In Progress	90%	Nigel Kennedy

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			Opp/ threat	Cause			Consequence	I	P	I	P	I		P	Control description	Due date	Status	Progress	Action Owner
CRR-037	Devolution	Risk that the City Council doesn't get a significant enough devolution deal	T	County, South and Vale are pursuing bid for county unitary, opposed by city and other districts. If successful this could lead to the abolition of the city council. The Unitary proposals also pose a significant threat to collaborative working and governance arrangements needed to secure investment in infrastructure from government, particularly in light of opportunity presented by NIC Oxf-Cams work.	- Loss of opportunities for significant infrastructure investment - Potential negative impact on community though loss of local accountability for investment and services - Lack of focus on Oxford City Region economy	1-Apr-2016	Caroline Green	5	4	4	2	4	2	The unitary proposal has been formally submitted and the City, WODC and Cherwell submitted representations against it. It is still in the system with no clarity about if or when it will be considered. Subsequently all the Oxfordshire authorities have been working together on a housing & growth deal and have signed an outline agreement with Government. This is subject to all Councils' approval. The deal and the recent NIC Ox-Cam study strengthens collaborative working in Oxfordshire and the position of the Growth Board and will add to an argument to focus on growth & housing delivery rather than restructuring should the SoS indicate that he intends to make a decision on the restructuring proposal.	Work with all Oxfordshire Authorities to develop a delivery plan for the deal & make the case to all councils for agreeing the Housing & Growth Deal. National & local government focus needs to be on supporting economic growth, infrastructure & housing.	18-Dec-2018	Ongoing	50%	Caroline Green
CRR-038	ICT Resilience	Non delivery of digital strategy or failure of the ICT service delivery	T	There is an increasing demand from public and stakeholders to access the Council through digital channels. This will impact on both front facing and back	- Inefficiency - Damage to reputation - Inefficiency - Damage to reputation - Loss of service provision	1-Apr-2016	Helen Bishop	5	3	3	3	3	3		Robust governance arrangements in place for the Digital Strategy, the Action Plan and ongoing stakeholder engagement including CEB approval and ongoing monitoring through OD&CS Board.	1-Apr-2018	In Progress	90%	Jan Heath

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				office area and will require new and differing capability and skills, both people and infrastructure. There will be potential changes to manage here, as outlined in the digital strategy and proposition, which will require buy-in to be successful. The risk arises through the Council being unable to deliver digital strategy and proposition	- Staff unable to perform their normal duties										Site visits arranged for HoS to consider Digital Leadership initiatives at other local authorities	1-Apr-2018	In Progress	40%	Jan Heath
				The delivery of Council Services are increasingly reliant upon the resilience of ICT hardware, software and support to allow them to function properly and to provide services both internally and externally to the Council's Customers. Failure of ICT can seriously impact on the delivery of Council services. The risk arises through the loss of ICT Services due to internal issues or loss of service provision from ICT suppliers											The contract with the Council's major ICT supplier, SCC, includes non-performance penalties which incentivise the continual operation of the Council's systems hosted by SCC	31-Mar-2017	Completed	100%	Vic Frewin
															The ICT workplan is being developed and will be updated on an ongoing basis	31-Mar-2017	Ongoing	100%	Vic Frewin
															The potential for a single account for each customer through improved integration of Council systems through enterprise application integration and real time business process automation is being investigated	1-Apr-2018	In Progress	20%	Vic Frewin
															There is an improvement plan for the ICT Operations team to develop a staff training programme, and to ensure that the use of resources and ICT systems is maximised.	1-Apr-2018	In Progress	65%	Vic Frewin

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			Opp/ threat	Cause			Consequence	I	P	I	P	I		P	Control description	Due date	Status	Progress	Action Owner
CRR-040	Climate change	Risk that a flood event happens that mitigations and plans are not sufficient to deal with	T	Oxford has commonly been subject to a number of significant flooding and extreme weather events. Mitigation arrangements and plans have been put in place but there is a risk they could be insufficient to deal with major future flooding / extreme weather events. The risk arises through a flood event happening that mitigations and plans are not sufficient to deal with	- Impact on infrastructure and housing - Widespread disruption to City and business - Cost - Return to Business As Usual challenging - Impact on public and staff	1-Apr -2016	Jo Colwell	5	4	3	3	3	3	Summer and Autumn have been dry. Flood events are more likely in the winter months but are weather dependent. Oxford Flood Alleviation Scheme remains on track but with funding gap of £4.35M. OFAS is led by Environment Agency with input by Oxford City Council in terms of partnership funding and significant officer input.	Flood alleviation schemes are underway and being investigated	31-Mar -2018	In Progress	20%	Tim Sadler

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			Opp/ threat	Cause				I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
CRR-039	Partnerships / supply chain	Risk that the Council does not work collectively and coherently with partners	T	It is important to work collectively and coherently with key partners to find solutions. Strong relationships are key, especially at a time when there is a strain on partners and relationships. Effective relationship management across partners will help to manage risks around service delivery and reputational risk. Lack of coordinated response or weak relationships with partners leads to withdrawal of services, increasing the burden on City Council services and poorer outcomes for communities.	- Ad-hoc arrangements and relationships - Disparate approach across service areas - Mixed messages - Partners withdraw - Services and initiatives affected	1-Apr -2016	Caroline Green	3	3	3	2	2	2	Risk continues as budgets continue to reduce and pressures in some areas increase - e.g. Homelessness. Working with county and health on co-locating services and co-funding initiatives is making progress, but slowly. Need to be alive to need to maintain established partnerships when the Council leader steps down and new members join the council to sustain relationships with key partners in the City. Similarly need to be alive to changes in senior level in partner organisations (new Chair and CX of the CCG) and ensure effective engagement with new senior leaders. We have reviewed the OSP membership and focus and it is being re-launched in the new year - need to identify a strong chair. Initiatives such as the Citywide homelessness and rough sleeping partnership will be important in managing key reputational risks.	Reinforce arrangements for joint working with key partners (councils, health, police, voluntary sector, business) to identify the pressures and challenges and broker discussions to design joint solutions or mitigations.	18-Dec -2018	Ongoing	50%	Caroline Green

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Minutes of a meeting of the AUDIT AND GOVERNANCE COMMITTEE on Tuesday 26 September 2017

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Committee members:

Councillor Fry (Chair)	Councillor Munkonge (Vice-Chair)
Councillor Brandt (for Councillor Simmons)	Councillor Ladbrooke
Councillor Paule	Councillor Taylor

Officers:

Lindsay Cane, Acting Head of Law and Governance
Jan Heath, Business Improvement & Performance Manager
Nigel Kennedy, Head of Financial Services
Bill Lewis, Financial Accounting Manager
Jennifer Thompson, Committee and Members Services Officer
Anna Winship, Management Accountancy Manager
Jackie Yates, Executive Director Organisational Development and Corporate Services

Also present:

David Guest, Ernst & Young external auditor
Gurpreet Dulay, Manager, BDO Internal audit
Yasmin Ahmed, BDO Internal Audit

Apologies:

Councillor Simmons sent apologies.

19. Declarations of Interest

None.

20. External audit: Audit results report for the year ending 31 March 2017.

The Committee considered the report of the external auditor Ernst & Young setting out the outcome of the audit of the accounts.

David Guest, auditor, outlined the findings from the audit. He reported that no material or significant issues had arisen between the publication of the report and the meeting. The threshold for 'material' was based on the gross revenue expenditure.

David Guest thanked the Head of Financial Services and his team for their support and help through the audit process.

The pension deficit and potential implications and risks were noted.

The Committee agreed to note the comments the report.

21. Statement of Accounts for 2016/17 - post audit

The Committee considered the report of the Head of Financial Services and the Council's Statement of Accounts and Letter of Representation.

The Committee noted:

- The accounts were again unqualified and with limited comments, reflecting the continuing high standards set by the finance team. There were no uncorrected misstatements and no changes other than those in the report.
- The closure process was becoming smoother, but the companies and LLP joint venture added complexities which needed to be recognised.
- The companies added five sets of separate accounts with end-of-year aligned to 31 March but different reporting deadlines. Tax advice and some services were provided externally but there was a demand on internal staff time. The need for separate external auditors and audits added to the complexity. As the companies became larger, better regulation, quality assurance, and resources would be necessary.
- The 2017/18 accounts would be produced to the earlier deadlines and in a new format as required by changes in regulations.

The Committee resolved to:

1. approve the audited 2016/17 Statement of Accounts as certified by the Head of Financial Services and authorise the Chair of the Committee to sign the Accounts; and
2. approve the Letter of Representation to enable the opinion to be issued (paragraph 12).

The Chair signed the accounts and the Letter of Representation.

22. Internal Audit progress reports: Quarter 1 2017/18

The Committee considered the report of the internal auditor BDO setting out progress made against the internal audit plan.

Gurpreet Dulay and Yasmin Ahmed, internal auditors, introduced their reports.

They reported verbally on the outcome of the of the Fusion partnership: the report was completed after the agenda publication and would be included in the papers for the next meeting. Three recommendations were agreed and a moderate opinion issued.

Cash and cheque handling processes had been improved and a procedure put in place for all staff who handles cash or cheques to follow to both log and safely and speedily transfer these to the bank. Staff were to recommend online payments, although some services would still primarily use cash or cheque payments.

The counter-fraud review did not find any issues to report. Right-to-buy requests were all thoroughly investigated before any transaction was allowed to proceed.

The Committee noted that work on the benefits action plan was ongoing and Ernst and Young would report on the audit of the 2016/17 benefits claim in January. It was commented that a review of the diversity of the customer panels may be useful.

The Committee noted the report.

23. Internal Audit: Follow Up of Recommendations to September 2017

The Committee considered the report of the internal auditor BDO on progress on those recommendations due for implementation

The Business Improvement & Performance Manager, the Head of Financial Services, and the Acting Head of Law and Governance answered questions about recommendations for their areas.

The Committee noted:

- Although 3 major recommendations for ICT had slipped 4 times these were in progress and were nearing completion. Contracted staff were completing tasks in the transformation plan and a permanent staffing structure was nearing completion and it was anticipated, although not without risk, that suitable permanent staff could be recruited on standard pay grades.
- To build resilience, legal support staff would be trained in Freedom of Information procedures and be able to assist if necessary. FoI training for service champions would be starting in November.
- The recommendation on the capital gateway had been removed as no longer necessary.
- Work on implementing the recommendations for Accounts Receivable processes was in progress but awaited technical changes to Agresso by ICT specialists.

The Committee noted the comments above and the report.

24. Internal Audit: Oxford City Council Internal Audit Charter

The Committee considered the charter setting out the internal auditor's (BDO's) standards.

The Committee agreed to approve the charter.

25. Risk Management report: Quarter 1 2017/18

The Committee considered the report of the Head of Financial Services setting out both corporate and service risks.

The Committee noted that aged debt related primarily to provision of commercial services plus some household debt and that the risk rating for community cohesion had changed because the impact of an incident was judged to have increased, but there was no evidence this was more likely to occur.

The Committee agreed to note the report.

26. Officer Executive Decisions to 31 August 2017

The Committee considered a report setting out Officer Executive Decisions taken to 31 August 2017.

The Committee agreed that as these decisions were now reported to councillors on publication the report was no longer necessary.

The Committee noted the report and agreed that it should not be produced in future.

27. Minutes of the previous meeting

The Committee agreed to approve the minutes of the meeting held on 26 June 2017 as a true and accurate record.

In relation to Minute 15, the Head of Financial Services circulated for information a summary of the successful Investigation Team Open Day on 14 September.

In relation to Minute 11, the Executive Director reported that it had been agreed to pay a market supplement, repayable under certain conditions, to address the difficulties in recruiting building control officers.

28. Dates and times of meetings

The Committee noted the dates and times of future meetings.

The meeting started at 6.00 pm and ended at 7.40 pm

Chair

Date: Thursday 11 January 2018