

Supplement for

Audit and Governance Committee

On **Wednesday 26 July 2023** At **6.00 pm**

Supplementary Papers

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The agenda, reports and any additional supplements can be found together with this supplement on the committee meeting webpage.

To: Audit and Governance Committee
Date: 26 July 2023
Report of: Head of Financial Services
Title of Report: Risk Management Reporting as at 30 June 2023

Summary and recommendations	
Purpose of report:	To update the Committee on both corporate and service risks as at 30 June 2023
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	
Policy Framework:	
Recommendations: that the Committee reviews the risk management report and notes its contents	

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Risk Scoring Matrix

1. The Council operates a 'five by five' scoring matrix based on probability and impact. 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

Almost Certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Rare	1	1	2	3	4	5
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Severe

Key:

Green	Amber	Red

Risk Identification

- 4. Corporate Risks** – The Corporate Risk Register (CRR) is reviewed by the Corporate Management Team (CMT) on a periodic basis, any new risks are incorporated into a revised version of the CRR. Risk owners of corporate risks are generally Executive 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 and agile methodologies in addition to recognised industry standards in construction for managing projects. Incorporated within these methodologies 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.

Corporate Risk Register

- 7.** The Audit and Governance Committee receive information on risk on a quarterly basis. The Corporate Risk Register as at 30 June 2023 is attached at Appendix A.

Corporate Risk Register – 30 June 2023

The number of Red risks has remained at four. A review of the Corporate Risk Register with Heads of Service and the Corporate Management Team is planned for end of September/beginning of October 2023 with the assistance of Zurich Insurance.

8. Details of the Red risks are as follows:

- **Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the City of Oxford and enabling sufficient house building and investment. Insufficient housing in Oxford leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues.

The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via Real Lettings. In addition the Council's housing companies are in the process of constructing new affordable homes, the social housing elements will be purchased by the Council

- **Economic Growth** – this relates to local, national or international factors adversely affecting the economic growth of the City. New trading and immigration arrangement with the EU combined with structural changes in the labour market remain a challenge, as well as the recovery from pandemic business impacts. Supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened and ongoing risk.

The Council is able to affect this risk through the delivery of the Oxford Economic Strategy & City Centre Vision Action Plan. This aims to stimulate recovery through targeted measures and the Council will work with Economic Growth Board & City Centre Task Force and engage with businesses to understand long term impact of COVID & EU Transition, alongside issues of inflation linked to international events. Macroeconomic impacts are outside the Council's direct control but the effects can be managed and mitigated at the local level.

- **Negative Impacts of Climate Change** – areas of concern are Flooding, which is highly weather dependent; poor air quality and increased episodes of excess heat.

The Council does not have control over the global climate position but it can make changes and improvements within its sphere of influence. The Council has made action on climate change one of its corporate priorities and has stepped up its programme of action, partnering and influencing to seek to mitigate social health and environmental impacts on the City.

- **Delivery of Services by External Suppliers/Partners/Supply Chain** – this relates to the negative performance of key suppliers which has a direct impact on the Councils ability to achieve its goals. The failure of a key supplier or reductions in funding and/or financial pressures on the Councils critical service partners, may place additional demands on the Council. This could result in poorer service outcomes for citizens and potential risks to our supply chain. Due to the cost of living crisis, memberships being cancelled by our customers' leads to reduced revenue for our leisure provider. There is also significant and uncontrollable increases in utility costs. The Councils leisure management contract expires in 2024 and the council is arranging to re-tender the service.

9. The table below shows the levels of Red, Amber and Green Corporate risks over the last 12 months.

Amber risks in summary relate to:

- **Business Improvement** – Customer Experience Strategy and the capacity to deliver the project on schedule due to insufficient resources.
- **Business Improvement** – Customer Experience Strategy and delays in related projects such as digital improvements, which could result in the strategy not delivered on schedule.
- **Business Improvement** – Recruitment and retention of the workforce. The proximity of Oxford to London, together with the high cost of housing, congested infrastructure and transport links has made the recruitment and retention of staff in some Service Areas a challenge.
- **Business Improvement** – Cyber Attack. A cyber security incident which impedes the operation of the business.
- **Business Improvement** – Business Continuity Planning and Disaster Recovery including ICT Recovery Plan. Preparing for, identifying risks and developing plans in order to provide a continuous service in the event of incidents and disruptions affecting business operations.
- **Financial Services** – Balancing and Delivery of the Financial Plan. Adverse financial impacts arising from the Covid-19 pandemic and the economic aftermath could result in being unable to balance the Mid Term Financial Plan and hence deliver the Council's Corporate Plan priorities. The Budget process for 2024/25 has now commenced.
- **Financial Services** – Resilience of Trading Models. If the Council companies are not successful and fail to deliver outputs and financial returns this will impact on the Mid Term Financial Plan and also result in a lack of delivery of dividends to the Council.
- **Corporate Strategy** – Local Government Reorganisation. Risk that the reorganisation or devolution is imposed to the detriment of the Council and City. The 2017 bid for an Oxfordshire –wide unitary authority has sat dormant since the Government made it clear that it had no appetite to pursue this while Future Oxfordshire Partnership partners deliver the Growth Deal. The collapse of the Oxfordshire 2050 plan reflects a widening gap in views among Councils around the need for sustainable growth in housing, economy and

infrastructure. There is also greater uncertainty about the future of the OxCam Arc. The City Council has taken Chair of the Future Oxford Partnership and planning a strategy workshop to help set a new jointly agreed direction that should help mitigate this risk.

- **Housing Services** – Buildings Health & Safety. Failure to comply with Health & Safety legislative requirements which ensures the safety of our buildings could lead to corporate manslaughter charges, HSE investigation and substantial fines, together with a loss of reputation.
- **Regulatory Services & Community Safety** – Terrorism. A terrorist incident in the city centre that adversely affects normal life in the city, including a negative impact on the Council's business or targets an individual event such as May Morning, St Giles' Fair. Dependent on nature of attack and where it occurs could result in lock down of buildings, including Council offices, severe travel disruption and a need to disperse large numbers of people to places of safety. The Council cannot prevent a terrorist attack but working with partners, particularly the Police and County Council on the Crowded Places Plan, which includes mitigation interventions, it can hopefully help reduce the impact.

Current Risk	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24
Red	5	5	4	4
Amber	9	9	10	10
Green	0	0	0	0
Total risks	14	14	14	14

Service Risk Registers – 30 June 2023

- 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.
- The table below shows the number of service risks as at 30 June compared with the last 12 months.

Current Risk	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24
Red	9	8	8	21
Amber	42	42	42	66
Green	19	19	19	35
Total risks	70	69	69	122
New risks in quarter	1	0	0	53
Closed	0	1	0	0

The number of Red risks has increased to 21. Thirteen Red risks are New Risks which have been added following the addition of a new Service Risk Register for ICT. Further details of these risks are shown below and in the Confidential Appendix B

Details of the Red risks are as follows:

- **Financial Services** – this relates to the Management effectiveness and employee ability to deliver services due to the Covid-19 pandemic. This has increased workloads and the volume of emails, which together with the many on-line meetings is placing excessive pressure and demands on staff and managers. This risk is entirely within the control of the Council, although it cannot be fully controlled within the service area itself.
- **Planning** – this relates to delays to Council projects caused by outside agencies. The probability of this risk occurring can only be influenced to a limited extent through greater collaboration on key projects but the impact can be influenced to a higher degree with a proactive approach to intervention and communications.
- **Planning** - this relates to Government legislation resulting in substantial changes to the planning system. Relaxation of Change of Use, Prior Approval regime extended. Expectations of politicians and the local community impacting on resources and priorities. The probability of this risk occurring is out of the Council's control, except through response to consultations. However, the impact of the risk can be mitigated by maintaining responsiveness and plan for change.
- **Planning** - this relates to new partnership challenges such as being unable to secure agreements in order to deliver work plan commitments or reach agreement with partners which can potentially result in the partnership failing. The Council can liaise with partners and partner Councils and discuss potential resolutions, however the Council cannot entirely control this risk.
- **Housing Services** – this relates to increased homelessness costs providing temporary accommodation and rent top-up payments, which has been additionally impacted due to the pandemic, lockdown and economic recession increasing homelessness demand. Control measures include undertaking a

review of the approach to temporary accommodation to ensure faster move-on, informed by the “Housing First” approach, undertaking work to look at options for stock rationalisation of temporary accommodation units and bidding for any further funding available from Department for Levelling Up, Housing and Communities (DLUHC) to help fund provision for rough sleepers

- **Community Services** – this relates to the Hinksey Heated Outdoor Pool Cover. Risk of incident, injury, vandalism costs, liability and negative publicity
- **Regeneration & Major Projects** – this relates to Staff Capacity. There is little capacity within the team to provide cover for other team members if required. Internal and external projects and programmes are running to similar timescales creating resourcing pressures. Staff resource and works needs to be carefully prioritised to handle demand.
- **Regeneration & Major Projects** – this relates to Project Delays due to unforeseen circumstances and external factors resulting in reduced performance and missed targets on capital projects which affect overall expenditure, MTFP spend or grant stipulations.

Business Continuity

12. The Corporate Business Continuity Plan has been reviewed and updated. The Disaster Recovery Plan is to be included as part of the BCP detailing which systems should be recovered first. The Emergency Plan is also in the process of being reviewed. Once the Corporate Business Continuity Plan has been agreed at CMT, all Service Business Continuity Plans will be reviewed to ensure these all feed into the Corporate BCP. A Business Continuity exercise is planned towards the end of 2023 with the assistance of Zurich Insurance.
13. The Councils plans for Restart, Recovery and Renewal is an ongoing process that helps anticipate, prepare, and respond to and recover from the impact of COVID-19. The Services continue to deliver and develop effective processes to help mitigate risks to the smooth running and delivery of services, ensuring they can best continue to operate to the extent required in the event of COVID-19 and beyond. These include:
 - Task and finish groups
 - Identifying alternative strategies to mitigate further loss and assessing their potential effectiveness in maintaining ability to deliver critical and new - some unknown – service functions
 - Contract variations
 - New ways of working
 - Staff well-being and resilience
 - Service transformation (i.e. using skills and learning to create new structure)
 - Budget review and re-prioritisation
 - Generating new revenue
 - Shielding the most vulnerable

- Healthy Place Shaping
- Strengthening and creating new partners
- Transforming the service business plan to help address new challenges and changing needs.

Risk Management

14. In order to monitor and ensure that there is a clear and consistent approach to the management of risk across the organisation, between services and between corporate and service levels, the Risk Management Group will be implementing the following action plan during 2023/24:-

1. Review of Corporate Risk Register – Risk Management Group (RMG) and Operational Delivery Group (ODG).
2. Sample check review of risks in connection with projects - RMG
3. Sample check review of service risks- RMG
4. Review of risk in companies and joint ventures – RMG
5. Review all Red Risks on a quarterly basis – RMG

The next Risk Management Group meeting had been scheduled for 20 June 2023. However, due to the unavailability of several members, it has been re-scheduled for 14 August 2023.

Climate Change/Environmental Impact

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

Equalities Impact

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

Financial Implications

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

Legal Implications

18. 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 good corporate governance and good business management. There are some legal issues that may arise going forward in the business continuity process but these will be managed on a case by case basis.

Report author	Alison Nash
Job title	Finance Officer (Insurance)
Service area or department	Financial Services
Telephone	01865 252048
e-mail	Email: anash@oxford.gov.uk

List of background papers: None.

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Risk Sta	Service	Ref	Title	Risk description	Opp/ th	Cause	Consequence	Owner	Gross	Gross	Current	Current	Risk	Score	Residu	Residu	RAG	Comments	Date Added	Control description	Due date	Control Statu	Progress	Action Owner	Period	Reason for adding risk
Open	Business Improvement	CE001	Customer Experience Strategy 2019-2021	Capacity to deliver	T	Insufficient resources to deliver projects, and lack of prioritisation	Strategy not delivered to schedule	Helen Bishop	4	5	3	3	9		2	3	A		31/03/21	Develop meaningful measures of success and identify benefits to be realised	28/02/20	Completed	100%	Helen Bishop	01/07/23	
		CE001																		Agree corporate governance, to include ownership at CMT & ODG and Transformation Board	31/10/22	Completed	100%	Helen Bishop	01/07/23	
Open	Business Improvement	CE002	Customer Experience Strategy 2019-2021	Delays in other related projects	T	Delays or non-delivery of customer-facing and digital improvements	Strategy not delivered to schedule	Helen Bishop	4	4	3	3	9		2	3	A		31/03/21						01/07/23	
		CE002																		Regular monitoring meetings and escalation were appropriate	31/10/22	Completed	100%	Helen Bishop	01/07/23	
Open	Regeneration & Economy	CRR-001	Economic Growth	Local, national or international factors adversely affect the economic growth of the City	T	New trading and immigration arrangements with the EU combined with structural changes in the labour market remain a challenge, as does recovery from pandemic business impacts. Supply chain challenges relating to Brexit, war in Europe, energy security and related inflationary issues are a heightened and ongoing risk.	Post-transition, this may affect vehicle manufacturing, logistics and wider import and export demand or capacity, and lead to business relocation/investment decisions in extreme cases. It's likely many sectors may have labour shortages (health, logistics, research, manufacturing, hospitality, technical skills) and inflationary pressures to contend with. It is possible there will be some job losses in the sectors affected by trade/supply or inflationary issues. COVID19, Brexit and energy security related supply issues may hit consumption spending further, affecting the viability of business inc. restaurants, travel and tourism, events, creative and cultural sectors. Workers who lose jobs may not have the skills for new ones, creating greater training needs. Ongoing fiscal challenges may reduce public sector investment in infrastructure and services.	Tom Bridgman	5	4	4	4	16		4	4	R		01/06/18						01/07/23	
		CRR-001																		Deliver Oxford Economic Strategy & City Centre Vision Action Plan. Stimulate recovery through targeted measures. Work with Economic Growth Board & City Centre Task Force. Engage with businesses to understand long term impact of COVID & EU Transition, alongside issues of inflation linked to international events.	01/04/27	In Progress	15%	Matthew Peachey	01/07/23	
Open	Financial Services	CRR-002	Balancing and Delivery of the Financial Plan	Unable to balance the Medium Term Financial Plan and hence deliver the Council's Corporate Plan priorities	T	Reduced contribution from Council companies; Business Rates reform; Local Government finance reform; Unachievable savings and income; Adverse financial impacts arising from the covid-19 pandemic and the economic aftermath	Increased use of balances to ensure that Council sets a balanced budget for next 4 years.Re-active action taken to bring budget back into line	Nigel Kennedy	4	3	4	3	12		4	2	A	Budget process for 2024/25 has now started	01/06/18						01/07/23	
		CRR-002																		Ensure companies are on schedule to deliver returns to Council	31/03/24	In Progress	70%	Nigel Kennedy	01/07/23	
		CRR-002																		Review of transformation savings	31/03/24	In Progress	70%	Nigel Kennedy	01/07/23	
		CRR-002																		Regular monitoring of revenue and capital budgets and ensuring savings and increased income are on target	31/03/24	In Progress	80%	Nigel Kennedy	01/07/23	
		CRR-002																		Start budget setting early and drive savings in conjunction with members with a full budget reset in December	31/03/24	In Progress	15%	Nigel Kennedy	01/07/23	
		CRR-002																		Expenditure Restraint	31/03/24	Ongoing	100%	Nigel Kennedy	01/07/23	
		CRR-002																		Keep abreast of changes to Business rates reforms and Fair funding	31/03/24	Ongoing	100%	Nigel Kennedy	01/07/23	
		CRR-002																		Lobby Government	31/03/24	Ongoing	100%	Nigel Kennedy	01/07/23	
Open	Housing Services	CRR-003	Housing	Failure to deliver the Council's key priorities around Housing including ensuring increased housing delivery and enabling sufficient affordable house building and investment.	T	Changes to Homes & Communities Agency's funding stream for housing development. Government policy changes affecting housing tenure, rental levels, LA borrowing ability. Economic recession, leading to instability in the housing market, and falling prices which could undermine site viability. Shortage of labour and materials. Increased uncertainty in the housing market linked to unknown speed of pandemic recovery and Brexit.	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	Nerys Parry	5	4	5	4	20		4	3	R		01/06/18						01/07/23	
		CRR-003																		Continue to take forward opportunities to purchase S106 dwellings through the HRA.	31/03/22	Completed	100%	Dave Scholes	01/07/23	
		CRR-003																		Maximise access to alternative funding programmes - Homes for England, HIF and Housing Growth fund	31/03/23	In Progress	75%	Dave Scholes	01/07/23	
		CRR-003																		Continuing to work with Registered Provider partners to enable supply of more affordable housing	31/03/23	In Progress	75%	Dave Scholes	01/07/23	
		CRR-003																		Implement robust programme and project management arrangements for the Affordable Housing Supply programme, including working as client for the OCHL programme.	31/03/23	In Progress	75%	Dave Scholes	01/07/23	
		CRR-003																		Housing delivery test in Planning ongoing. Deliver the housing delivery test action plan in Planning.	31/03/22	Completed	100%	Rachel Williams	01/07/23	
		CRR-003																		Provide a clear and robust response to the governments planning changes through the consultation, changes which would significantly reduce S106 contributions in the city.	31/10/20	Completed	100%	Rachel Williams	01/07/23	
		CRR-003																		Delivery of regeneration schemes, including Blackbird Leys.	31/03/24	In Progress	40%	Nerys Parry	01/07/23	
		CRR-003																		Purchase of Council dwellings from Barton Park development.	31/03/25	In Progress	50%	Nerys Parry	01/07/23	

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		CRR-007															OMT to approve software priority restoration list from all Services BC plans.	30/06/19	Completed	100%	Mike Newman	01/07/23
		CRR-007															Include ICT systems outages in business continuity plan tests.	01/10/18	Completed	100%	Mike Newman	01/07/23
		CRR-007															Assure ICT backup and restore capabilities	31/03/24	Ongoing	100%	Rocco Labellarte	01/07/23
		CRR-007															All Service Areas to review their business continuity plans to ensure they are actionable in case of an unplanned ICT outage.	31/03/24	Ongoing	100%	Corporate Risk Management	01/07/23
		CRR-007															Ensure there are sufficiently robust solutions and resources in place to backup all systems and data, mitigate cyber risks and restore services in the case of a major ICT event.	31/03/23	Completed	100%	Corporate Risk Management	01/07/23
Open	Community Services	CRR-012	Delivery of Services by External Suppliers/Partnerships / Supply Chain	The negative performance of suppliers has a direct impact on the Council's ability to achieve its goals	T	- Failure of key supplier (i.e. Fusion) or reductions in funding and/or financial pressures on the councils critical service partners may place additional burdens demands on the council and poorer services outcomes for citizens and potential risks to our supply chain. - Cost of living crisis meaning memberships are cancelled by our customers. Leading to reduced revenue for our leisure provider. - Significant and uncontrollable increases in utility costs.	- 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.	Ian Brooke	3	3	4	4	16	4	4	R	01/06/18					01/07/23
		CRR-007															Work collectively and coherently with key partners to find solutions.Effective relationship management across partners will help to manage risks around service delivery and reputational risk. Closely monitor the impacts of the macro env on suppliers.	31/03/24	In Progress	70%	Ian Brooke	01/07/23
Open	Corporate Strategy	CRR-008	Negative Impacts of Climate Change	Climate Change leads to a number of adverse social, health and environmental impacts on the City	T	Oxford is prone to flood risk from fluvial or river sources (Cherwell and Thames/lis) and is specific areas to pluvial or surface flooding from heavy rainfall. For fluvial flooding heavy rainfall upstream normally gives Oxford between 24-48 hours to prepare and respond with flood protection. There is no warning for pluvial flooding.	Flooding, which is highly weather dependent; poor air quality and increased episodes of excess heat.	Mish Tullar	4	3	4	4	16	3	3	R	01/06/18					01/07/23
		CRR-008															Oxford City Council's Carbon Management Plan, our work delivered through the Zero Carbon Oxford Partnership, and ongoing work around flood mitigation and landscaping. There is now increasingly closer working with District and County Councils on response to climate and environmental crises and development of a climate Adaptation Plan.	31/03/24	In Progress	50%	Mish Tullar	01/07/23
		CRR-008															Partnership with the EA led programme to deliver the Oxford Flood Alleviation Scheme	31/03/24	In Progress	40%	Mish Tullar	01/07/23
		CRR-008															Control measures relating to advocacy and clear communication to residents, tenants and businesses around behaviours and measures needed for decarbonisation. Also consideration over use of our land assets for mitigation measures including renewables and tree planting.	31/12/23	In Progress	50%	Mish Tullar	01/07/23
Open	Regulatory Services and Community Safety	CRR-009	Terrorism	Terrorist incident in the city (most likely in the city centre) that adversely affects normal life in the city, including a negative impact on the Council's business, or targets an individual event (e.g. May Morning, St Giles' Fair, events in South Park)	T	Oxford is an internationally known city and is a more likely target than cities and towns of a similar size. There are several areas where large numbers of people congregate - primary shopping areas and tourist attractions, transport hubs - that may be conducive and prone to attack	Dependent on nature of attack and where it occurs. Could result in lock down of buildings, including Council offices, severe travel disruption, need to disperse large numbers of people (to places pf safety). Non-delivery of Council services	Ian Wright	5	2	4	3	12	4	2	A	01/06/18					01/07/23
		CRR-009															Work with partners, particularly the Police and County Council, on the Crowded Places Plan that includes mitigation interventions. Implementation of Martyri's Law requirement when enacted in 2023.	31/03/24	In Progress	75	Richard J Adams	01/07/23
		CRR-009															Council's emergency plan includes link to Crowded Spaces Evacuation Plan	31/03/24	Ongoing	100%	Imogen Hughes	01/07/23
		CRR-009															Emergency plans for Council-operated buildings include dealing with a terrorist attack (including building lock-down procedure)	31/03/24	In Progress	45%	David Hunt	01/07/23
		CRR-009															Physical barriers in place - temporary and permanent. County Council leading on design and development. Difficulties in getting progress updates from the County Council on the design commissioning. County have confirmed that they have commissioned a designer for the HVM interventions. Chase up email - Dec 2022. County Community Safety Director following up with Highways team who commissioned the designer. Meeting with Highways - designer will be commissioned by April 2023 and the roll out of HVM mitigations will be phased in over the next two years with Conmarket Street being a priority. Some HVM is in place in Broad Street. St Michaels Street will use planters as an interim measure and Conmarket has some street furniture that offers some mitigation of risk. Met with the County Council lead officer on 28th June. County are prioritising work for 23-24 w/b 3/7/23 and it is likely that HVM commencing will be a priority project.	31/03/24	In Progress	50%	Richard J Adams	01/07/23
Open	Business Improvement	CRR-010	Cyber Attack	Cyber security incident which impedes the operation of the business	T	Global attack from outside the business Internal hacker	Non-delivery of business operation	Helen Bishop	3	4	3	3	9	3	2	A	01/06/18					01/07/23
		CRR-010															Ensure any security breaches are dealt with appropriately, in line with policies.	31/03/24	Ongoing	100%	Helen Bishop	01/07/23
		CRR-010															Ensure PSN accreditation is achievable. Allocate funding as necessary to ensure remedial work can be delivered.	31/03/23	Ongoing	100%	Nigel Kennedy	01/07/23
		CRR-010															Ensure there are sufficiently robust solutions and resources in place to backup all systems and data, mitigate cyber risks and restore services in the case of a major ICT event.	31/03/24	Ongoing	100%	Corporate Risk Management	01/07/23

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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INTERNAL AUDIT PROGRESS REPORT

Oxford City Council

July 2023

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SUMMARY OF JULY 2023 WORK

INTERNAL AUDIT

This report is intended to inform the Audit Committee of progress made against the 2022/2023 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. 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 risk owner, 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.



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 1 of this report, and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. 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.

JULY 2023 INTERNAL AUDIT PLAN

All 2022/23 audits have been completed, it was agreed with Audit Committee, the two remaining audits Contract Management & Procurement and Planned Maintenance & Refurbishment would form part of the 2023/24 programme. Contract Management & Procurement will be presented at this meeting and Planned Maintenance and Refurbishment will be presented at the September 2023 Audit Committee.

We are making good progress in the delivery of the July 2023-24 audit plan, and we are pleased to present the following reports to this Audit Committee meeting:

- ▶ Contract Management & Procurement
- ▶ Follow-up Report
- ▶ Internal Audit Annual Report and Annual Statement of Assurance 2022-23.

Fieldwork is underway in respect of the following audits which we anticipate will be presented at the next Audit Committee meeting:

- ▶ Planned Maintenance and Refurbishment
- ▶ Planning Services
- ▶ Empty Properties and Dwellings.

REVIEW OF 2023-24 WORK






AUDIT	EXEC LEAD	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Audit 1: Private Rented Sector	Nigel Kennedy	Sept 23	✓				
Audit 2. Planning Services	David Butler	Sept 23	✓	✓	✓		
Audit 3. Building Control	David Butler	Jan 24	✓				
Audit 4. Selective Licensing	Ian Wright	Apr 24	✓				
Audit 5: Health and Safety and Fire Safety	Jane Winfield/Nerys Parry	Jan 24	✓				
Audit 6. Data Analytics	Nigel Kennedy	Apr 24	✓	✓	✓		
Audit 8. Empty Properties and Dwellings	Nerys Parry	Sept 23	✓	✓	✓		
Audit 9. Town Hall and Community Centre Lettings	Ian Brooke	Jan 24	✓				
Audit 10. Accounts Receivables	Nigel Kennedy	Jan 24	✓				
Audit 11: QL Optimisation	Nigel Kennedy	Apr 24	✓				
Audit 12: Planned Maintenance and Refurbishment	Nerys Parry	Sept 23	✓	✓	✓		



CONTRACT MANAGEMENT AND PROCUREMENT

CRR REFERENCE:

- ▶ Enable an Inclusive Economy
- ▶ Deliver More Affordable Housing and Tackling Homelessness
- ▶ Support Thriving Communities
- ▶ Pursue a Zero Carbon Oxford

Design Opinion	 Moderate	Design Effectiveness	 Moderate
Recommendations	 0	 2	 1



SCOPE

BACKGROUND

PROCUREMENT

- ▶ The Public Contract Regulations (2015) and subsequent supporting legislation outline public sector procurement requirement. Oxford City Council (the Council) undertake transparent procurement processes to obtain value for money when purchasing goods and services. All Council contracts over £25,000 must be published on Contracts Finder or, Find a Tender if the Find a Tender limits are exceeded
- ▶ The Council's Procurement Manager manages the procurement function, and the Procurement Team approves all new contracts on Agresso (the Councils Finance system). Service areas manage procurement exercises below the Find a Tender thresholds however, support and advice is available from the Procurement Team. Any contracts exceeding the Find a Tender thresholds are undertaken by the Procurement Team
- ▶ The Council have recently implemented the In-Tend procurement portal which went live on 1 November 2022. It provides a clear breakdown to suppliers on procurements for the Council and Oxford Direct Services (ODS). Online tenders and contract management can also be managed through In-Tend. ODS manage their own procurement and contract management service but can buy-in support from the Council. This report is focused on the arrangements at the Council and does not provide a view of the arrangements at ODS.
- ▶ Due diligence is completed on all suppliers where the contract value is over £25,000 through an Experian credit report. A tiered acceptance framework is in place for these, so suppliers scoring more than 81 on their credit report are accepted. If the score falls below 51, approval must be obtained from the Management Accountants team to accept the credit risk before the contract can be set up on Agresso.

CONTRACT MANAGEMENT

- ▶ Service area managers and Contract Managers are responsible for managing contracts and relationships with suppliers. However, invoices raised above the overall contract value, established at the procurement stage, require a procurement exemption form to be approved by the Procurement Team
- ▶ The Council's Procurement Strategy was refreshed in October 2022. There are sections on contract management, including guidance on how to set and monitor key performance indicators (KPIs) for contractors. Previously, a contract handover document (containing prescribed templates) were provided to Contract Managers to advise on how to conduct contract management meetings. Due to the introduction of In-Tend, Contract Managers will be able to decide whether to use In-Tend or continue using the prescribed templates in the contract handover document
- ▶ We undertook a Contract Management review in 2019/20 where we provided moderate assurance on both control design and effectiveness. A high finding was raised around KPIs not being set with suppliers and regular contract management meetings not taking place for some contracts.

AREAS REVIEWED

PROCUREMENT

- ▶ We reviewed the Council's Constitution and the Procurement Strategy to confirm these have been reviewed and updated
- ▶ We tested a sample of four contracts to confirm procurement exercises occur in line with the Constitution and statutory thresholds
- ▶ Through our sample testing we tested to see if documents relating to the procurement exercises were retained
- ▶ We confirmed for each supplier that due diligence checks were conducted and evidence of this was retained

CONTRACT MANAGEMENT

- ▶ We tested a sample of seven contracts to confirm there is effective monitoring and managing of contracts with established KPIs
- ▶ We confirmed if regular supplier meetings occurred and performance was discussed accordingly
- ▶ We confirmed if training was provided to Contract Managers on the new In-Tend platform.

**AREAS OF STRENGTH****PROCUREMENT**

- ▶ The Council's Constitution contains a chapter on Contract Rules which outlines the required procurement exercises for each contract threshold in a robust level of detail. The Constitution was last reviewed by the Council in March 2023 and is up to date
- ▶ The Procurement Strategy 2022-2025 outlines the Corporate procurement plan which was reviewed by the Scrutiny Committee and Cabinet in November 2022
- ▶ Our sample testing of four contracts with a combined value of £679,134 identified all procurement documents were retained on the In-Tend System and due diligence checks were undertaken on each supplier via Experian credit reports ahead of finalising the contract. In all instances, procurement was conducted in line with the Council's Constitution.


CONTRACT MANAGEMENT

- ▶ Contract Managers are responsible for establishing supplier relationships and managing the performance of contracts. Sample testing of seven contracts identified Contract Managers have regular meetings with suppliers to discuss performance and escalate issues
- ▶ The Procurement Team conduct regular training sessions for new starters and current employees which contain a robust level of detail on the procurement process and the use of the In-Tend system. Feedback is obtained from attendees in the form of a questionnaire, which the Procurement Team reflect on to improve the training session.

**AREAS OF CONCERN**

	Finding	Summary of Recommendations	Owner	Due Date
	<p>We tested a sample of four high value contracts from the Council to confirm procurement documentation was retained on Proactis and identified the Procurement Team were unable to locate/provide evidence. The Constitution does not provide clarity on the duration procurement documentation should be retained for live contracts (Finding one - Medium)</p>	<p>a. To review the top four high value Contracts the Council hold and identify the key procurement documents which should be retained and work with Suppliers to obtain these</p> <p>b. To review and update the Constitution to specify the duration procurement documentation should be retained for live contracts obtained on the In-Tend System.</p> <p>Management Response</p> <p><i>Within the Constitution it does state how long the Contract should be retained for (High value i.e. over FTS) however this can be made more robust in include tender documents. The constitution is updated on a yearly basis and will be picked up in the next edition in 2024.</i></p> <p><i>The team will review all documentation that it holds for the top four high value contracts and will aim to complete this particular aspect by November 2023.</i></p>	Annette Osbourne, Procurement Management	May 2024
	<p>Our sample testing of seven contracts identified in five instances, clear KPIs were not established to monitor performance (Finding two - Medium)</p>	<p>a. To identify key live contracts without KPIs and for the relevant Contract Managers to work with suppliers to establish KPIs and ensure upon renewal these are added to the contract</p> <p>b. To develop a list of standard KPIs that Contract Managers can use as a template to re-enforce the important of KPIs</p> <p>c. Contract Managers should be informed that KPIs are not optional via department managers restating the message and sharing the contract handover form (see Finding 3)</p> <p>Management Response</p> <p><i>KPI's</i></p> <p><i>A standard list of KPI's and Service Levels has already been established (Strategy 2022) and is available on the intranet for all contract managers</i></p> <p><i>This will be re-enforced with Contract managers and Service Heads for all new contracts that are awarded.</i></p>	Annette Osbourne, Procurement Management	Sept 2023
	<p>The Procurement Team developed a contract management handover guidance document to</p>	<p>a. Share the Contract Management Handover Form with all Contract Managers via email or the Council's</p>	Annette Osbourne, Procurement Management	Sept 2023

	<p>assist Contract Managers in monitoring the performance of contracts. Discussions with Contract Managers revealed this document has not been shared recently and managers do not utilise the guidance templates provided for minutes, risk registers and action logs (Finding three - Low).</p>	<p>intranet</p> <p>b. Include the form as an attachment on the procurement training slides.</p> <p><i>Management Response</i></p> <p><i>The Contract Management Handover form is available via the Intranet under Procurement Documents.</i></p> <p><i>This will be further included in the Procurement training slides and procurement will build into the training how the form should be used before award (building in KPI's) and managing performance post award.</i></p>		
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 <p>CONCLUSION</p>	<ul style="list-style-type: none"> ▶ Overall, whilst the Council have adequate controls in place for managing relationships with clients, contracts do not have established KPIs which is a requirement for all contracts within the Council ▶ The Council's Constitution was updated and approved by Cabinet in March 2023 which outlines the procurement process. However, it does not provide clarity on the duration procurement documents should be retained for live contracts obtained through In-Tend ▶ This leads us to conclude a moderate opinion on the control design and control effectiveness.
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KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
HIGH QUALITY DOCUMENTS PRODUCED BY THE AUDITOR THAT ARE CLEAR AND CONCISE AND CONTAIN ALL THE INFORMATION REQUESTED.	WE HAVE HAD FIVE SURVEY RESPONSE IN 2022/23 WHERE THE RESPONDENT 'AGREED' OR 'STRONGLY AGREED' THAT THE FINAL REPORT WAS CLEAR AND CONCISE.	G
Frequent communication to the customer on the latest mandatory audit standards and professional standards prescribed by the main accountancy bodies.	Sector updates were provided within the Audit Committee progress report and/or in appending reports.	G
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings so far have been attended, including Audit Committee meetings, pre-Audit Committee, scoping meetings and meetings during audit fieldwork.	G
Information is presented in the format requested by the customer.	No requests to change the BDO format.	G
Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit.	We have received five survey responses for 2022/23 where we had an average score 4 for audit satisfaction. We will continue to issue surveys for each audit as it is finalised.	G
External audit can rely on the work undertaken by internal audit (where planned)	To be clarified at year end once we have met with the new external auditors	-
Positive result from any external review	In June 2021 an External Quality Assessment by the Institute of Internal Auditors reported that BDO LLP's Public Sector Internal Audit Team 'generally conforms' with the International Professional Practices Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS).	G
	This is the highest of the three ratings categories.	
REPORTING ARRANGEMENTS	KPI	RAG RATING
DRAFT REPORT TO BE PRODUCED 3 WEEKS AFTER THE END OF THE FIELDWORK	DRAFT REPORTS HAVE BEEN PRODUCED WITHIN 3 WEEKS IN THE YEAR TO DATE.	G
Management to respond to internal audit reports within 2 weeks	We have received management responses within 2 weeks for all audit reports so far in 2022/23, with exception to the Income Generation report which required cross-departmental responses, therefore, we set up a meeting with all stakeholders to obtain an agreed response.	G
Final report to be produced 1 week after management responses	The final reports issued were released within one week of receipt of management comments for all reviews so far in 2022/23.	G
90% recommendations to be accepted by management	All recommendations have been agreed with management prior to release of the final audit report and have been accepted in full.	G

DELIVERY	KPI	RAG RATING
ANNUAL AUDIT PLAN DELIVERED IN LINE WITH TIMETABLE AND ACTUAL DAYS ARE IN ACCORDANCE WITH ANNUAL AUDIT PLAN	PROGRESS AGAINST THE AUDIT PLAN IS REPORTED AT EVERY AUDIT COMMITTEE, AGAINST ORIGINAL PLANNED DATES. ALL AUDITS HAVE BEEN COMPLETED IN LINE WITH THE ACTUAL DAYS AGREED, WITH SOME DATES MOVED BACK AT THE REQUEST OF THE COUNCIL.	G
At least 60% input from qualified staff	Audits undertaken in 2022/23 have been undertaken by qualified staff.	G

LOCAL GOVERNMENT SECTOR UPDATE

Our monthly public sector briefing summarises recent publication and emerging issues relevant to local authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, non-executive directors and governors.

KENT WARNED OF POTENTIAL S114 NOTICE IF IT FAILS TO MAKE SAVINGS

Grant Thornton issued a key recommendation in an **annual report** that the authority should adopt spending controls, and in some cases cut services, particularly because of increasing demand for adult and children's care services.

Paul Dossett, head of local government at the firm, told a county council meeting the authority's financial position is due to "traditional challenges" of service demand outstripping the level of resources.

Speaking to members, he said overspends in 2022-23 created a "significant drain" on reserves and have left the council with difficult decisions to make in order to meet the £86m savings target this year.

"The council needs to take these decisions, because if you don't deliver the savings and make difficult decisions for the 2024-25 budget, the council will be moved towards a perilous financial position," Dossett said.

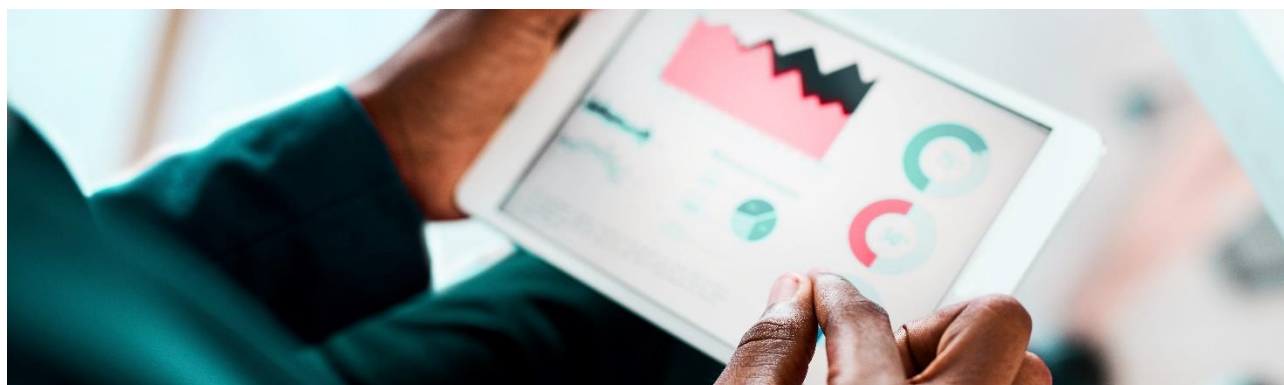
"It may move towards the section 151 officer considering whether or not she needs to issue a section 114 report, which is quite a nuclear option in terms of that impact on spending and other decision making.

<https://www.publicfinance.co.uk/news/2023/07/kent-warned-potential-s114-notice-if-it-fails-make-savings>

FOR INFORMATION

For the Audit Committee Members and Executive Directors

COUNTIES CALL FOR TRANSFERRAL OF LOCAL ENTERPRISE PARTNERSHIP POWERS



COUNTIES CALL FOR TRANSFERRAL OF LOCAL ENTERPRISE PARTNERSHIP POWERS

The government in February said it was ‘minded’ to allow local authorities to carry out the functions currently performed by Local Enterprise Partnerships – and the County Councils Network urged ministers to follow this through completely.

These functions include delivering capital investment schemes, helping businesses start and expand through ‘growth hubs’, using retained business rates, paying grants and deciding where enterprise zones should be set up.

Since their establishment in 2011, LEPs have delivered £1.97 for every pound spent in county areas, a report commissioned by the CCN found.

The report, conducted by consultancy firm EY, found that while CCN areas have received the best return on funding, the return is still lower than the £4.81 of benefits per pound forecast by the government.

Researchers said the 11 LEP areas in urban and city regions recovered from pandemic slowdowns in 2022, and gross value added is expected to have grown by 6.7% between 2019 and 2025.

However, growth in the 27 LEP areas in county and rural regions will have been far slower at just 3% over the same period, and will only recover lost pandemic output in 2024.

Tim Oliver, chair of the CCN, said: “For too long, councils in county areas have been hamstrung in their ability to drive economic growth, lacking the powers enjoyed by urban and city authorities with mayors.

<https://www.publicfinance.co.uk/news/2023/07/counties-call-transferral-local-enterprise-partnership-powers>

FOR INFORMATION

Audit Committee, Executive Directors, and Non-Executive Directors

INDEPENDENT COMMISSIONER APPOINTED AT THURROCK

A new commissioner at Thurrock Council will help run the authority as it tries to recover from its high debt and failing commercial investments.

Levelling up minister Lee Rowley confirmed that David Smith, former chief executive of South Yorkshire Mayoral Combined Authority, has been appointed as a managing director commissioner.

Smith will fulfil the role of a chief executive for the authority, and will be responsible for its day-to-day operations until the council appoints a replacement, joining Essex County Council on the commissioning team.

Council leader Mark Coxshall said: “Dave brings with him great experience and expertise having held senior positions across a number of local authorities in England.

“I look forward to working hand in hand with him as we drive forward our recovery to ensure Thurrock Council has a future in which it is sustainable and is the best it can be.”

Commissioners, the first of whom were appointed in September, will also have new powers over the scrutiny of council decisions; how services are designed and run; hiring and firing senior officers; overseeing an audit of the authority’s governance; and the development of a senior management performance framework.

“Having carefully considered the best value inspection report, and the representations I have received about the intervention, I am satisfied that Thurrock Council is continuing to fail to comply with its best value duty,” Rowley said.

Details of the authority’s financial woes became clearer in November, when a £452m funding gap emerged in this year’s budget due to the **impairment of four assets** and a significant increase to MRP to comply with local government guidelines.

<https://www.publicfinance.co.uk/news/2023/03/independent-commissioner-appointed-thurrock>

FOR INFORMATION

Audit Committee, Executive Directors, and Non-Executive Directors

SOUTHAMPTON CALLS IN CIPFA TO STAVE OFF 114 NOTICE

Commissioners sent into the authority in December 2021 said in their second report that progress has been “very slow”, A city council has warned its finances are not sustainable and called in support.

Southampton City Council confirmed it has sought help from CIPFA because it is having difficulty making budget savings.

A bleak review by CIPFA confirmed that the authority will have to issue a section 114 notice later this year unless it is able to significantly reduce spending.

Its report, commissioned by the council, explained that the overspend run rate is averaging £1.8m per month.

The authority delivered just 39% of its planning savings in 2022-23. CIPFA has warned that if this is repeated this year it would add £12m of additional pressures.

“If this trend continues in the current financial year combined with non-delivery of savings there will be a significant budget gap at year end,” the report warned.

Until now, the budget has been met by spending reserves to offset overspends. It now has just £10.1m in its medium-term financial strategy reserves, the **CIPFA resilience and financial management review** said.

The report, published ahead of a cabinet meeting, said that while the authority set a balanced budget this year, this is dependent on delivering £20m of savings.





<https://www.publicfinance.co.uk/news/2023/07/southampton-calls-cipfa-stave-114-notice>

FOR INFORMATION




Audit Committee, Executive Directors, and Non-Executive Directors

APPENDIX I

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS REVIEW FROM	EFFECTIVENESS OPINION	FINDINGS REVIEW FROM
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 DEFINITION

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.

FOR MORE INFORMATION:

Greg Rubins
Partner
0238 088 1892 (DDI)

Greg.Rubins@bdo.co.uk

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INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

OXFORD CITY COUNCIL

2023/2024

IDEAS | PEOPLE | TRUST

IBDO

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RECOMMENDATIONS: OVERDUE 10

RECOMMENDATIONS: MOVED TO LOWERROR! BOOKMARK NOT DEFINED.



SUMMARY

2023/2024	Total Recs to follow up this Qtr (July 23)	H	M	Complete		In progress		Overdue	
				H	M	H	M	H	M
Private Rented Sector	1		1	-	1	-	-	-	-
Environment	14	1	13		4	1	7		2
Total	15	1	14	-	5	1	7	-	2

2023/20243	Total Recs to follow up this Qtr (July 23)	H	M	Complete		In Progress		Overdue	
				H	M	H	M	H	M
Change Programme	1	-	1	-	1	-	-	-	-
Housing Rents	2	-	2	-	2	-	-	-	-
Income Generation	2	2		2	-	-	-	-	-
Total	5	2	3	2	3	-	-	-	-

SUMMARY

2021/2022

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2023/2024.

- ▶ Five medium recommendations (Private Rented Sector and Environment) have been successfully implemented by the Council
- ▶ 10 recommendations comprising of 9 medium and one high recommendation (Environment) are incomplete of which two medium recommendations are overdue as they have been issued more than two revised due dates.

2022/2023

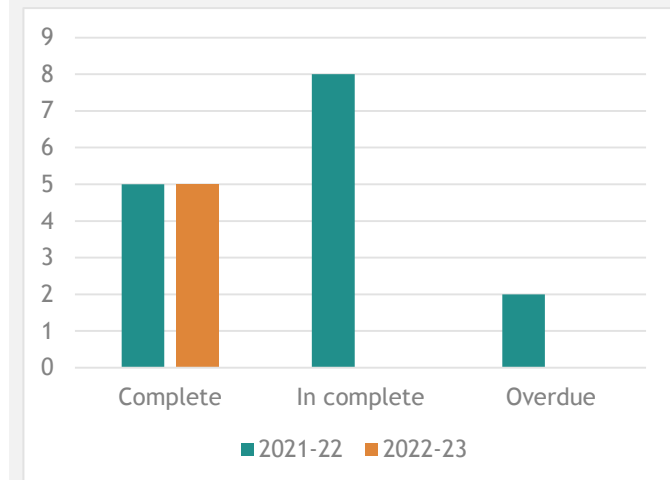
38 Please find below a summary of the status of implementation of recommendations arising from reports issued in 2023/2024.

- ▶ Two high level recommendations for the Income generation audit have been implemented and three medium recommendations have been implemented (Housing Rents and Change Programme).




We will continue to follow up on all recommendations with revised due dates as they fall due to subsequent Audit & Governance Committee meetings.





REQUIRED AUDIT COMMITTEE ACTION:

We ask the Audit Committee to note the progress against the 20 recommendations due for July 2023 Audit Committee.



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22. Private Rented Sector	There should be an automated process where the PRS team are alerted when the tenant is no longer residing within the property prior to reaching the end of their tenancy agreement term.	MEDIUM 	Placement and Procurement Team leader	30/06/2022 31/12/2022 30/06/2023	Management Comments: We now have automated reports in place informing us when a tenancy is due to end as we have automatically been notified TT is moving on (offered social tenancy for example) and automated reports generated annually to allow targeted end of tenure checks. This then enables us to contact LL / TT and complete relevant actions associated. <i>Internal Audit Comments: The recommendation has been duly implemented</i>
2021/22. Environment	It is recommended that the Council upgrades the GIS system and ensures there are IT staff able to support the Council-wide use of the system	MEDIUM 	Head of Business Improvement	31/12/2022 30/06/2023	Management Comments: Procurement of the new system has been completed. The GIS system upgrade went live earlier this month. This recommendation is therefore closed. <i>Internal Audit Comments: We have reviewed the evidence and can confirm that the recommendation has been implemented</i>
2021/22. Environment	The Council should learn lessons from tenant engagement on the retrofitting agenda so far, and where common themes are identified (in relation to tenants halting the process) these should be analysed and discussed further with tenants at the outset of the process. This may require more resource from the tenant management/liaison officers	MEDIUM 	Head of Housing & Homelessness	30/11/2022 30/06/2023	Management Comments: 1. Lessons learned from previous retrofit work such as Lad 1B have been incorporated into a comms plan for the current project (SHDF). 2. Letters are being drafted with input across departments to ensure that the messaging reflects all areas involved. The previous approach to comms has been reviewed and a new approach to retrofit developed focused on the benefits for residents. Disruption will be explained to tenants from an early stage and tenants worked with to reduce any inconvenience. 3. The Property Energy team is also bringing experience from other Councils/ Housing Associations and incorporating lessons learned on other retrofit projects into the delivery of SHDF and future Retrofit Projects. 4. Previous funding rounds required tenants to share financial information which the current funding does not so this will likely reduce resistance to works. Cost of living in all likelihood will have impact <i>Internal Audit Comments: We have reviewed the steps taken by</i>

					<i>the Council and can confirm that the recommendation has now been completed.</i>
2021/22. Environment	Template proposal documents (PID and business case) should specifically ask about the impact on the net zero carbon target and biodiversity considerations. The Council may wish to implement a Carbon Impact Assessment process in proposals - there is scope to expand the appendices requirement to the template for the business cases (which requires, for instance, a Privacy Impact Assessment) to include such an assessment. If this would place too much burden on staff and the ES team, the Council could consider whether at a minimum, the templates above could provide a check box to confirm that delivery of the project in question would not knowingly impede or reverse the net zero carbon or biodiversity targets.	MEDIUM 	Executive Director of Development	31/12/2022 30/06/2023	<p>Management Comments: The process is outlined on the intranet on the Ideas and Proposals page which forms part of Projects and Governance. On this ideas and proposals page you will find the updated PID document which now includes more questions on the carbon and environmental considerations. There is also a link to the updated guidance document "Carbon and Environmental Considerations in Projects".</p> <p>Internal Audit Comments: We have reviewed the respective intranet links provided and can confirm that this recommendation has been completed.</p>
2021/22. Environment	The Council should consider how to mitigate against the risk of over reliance on specific staff members by training other staff to undertake tasks (for example, in relation to emissions reporting)	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023	<p>Management Comments: Recent changes in the Environment Sustainability has led to outsourcing of some key functions, which will improve resilience. More staff are being trained to use the software to support the energy bureau function, where there was a lack of resilience previously.</p> <p>Internal Audit Comments: We have reviewed the evidence and can confirm that it has been completed..</p>
2022/23. Income Generation	The Property & Asset Management team and the Income team should complete an immediate reconciliation of the entire commercial property portfolio to confirm that rent is being charged/billed correctly for all commercial properties.	HIGH 	Emma Gubbins (Corporate Asset Lead) Neil Markham (Income Team Leader)	01/11/2022 31/03/2023	<p>Management Comments: All charges being raised by Agresso are now correct. Charges are confirmed to be in Agresso. Retail Price Index increases were not picked up on the Uniform system.</p> <p>Internal Audit Comments: We have reviewed the evidence and can confirm that it has been completed.</p>
2022/23. Income Generation	In accordance with Recommendations 1c and 1d an immediate reconciliation should be completed between Uniform and Agresso and stored in shared folder between the Property & Asset Management team and the Income team. At a minimum the information that	HIGH 	Emma Gubbins (Corporate Asset Lead) Neil Markham (Income Team Leader)	01/11/2022 30/05/2023	<p>Management Comments: The reconciliation has been completed as part of the quarterly check on billing that takes place in advance of the June quarter day.</p> <p>Internal Audit Comments: We have received the reconciliation spreadsheet prepared by the Council and can confirm that the</p>

should be reconciled is:

- Pre-VAT annualised rent charge to the tenant
- Periodic (ie monthly, quarterly, half-yearly or annually) bill charged to the tenant depending on the lease agreement
- Frequency of billing per Agresso and Uniform
- Tenant/customer for each property.

The Property & Asset Management team and the Income team should then undertake a quarterly check between subscriptions on Agresso and the asset management database prior to billing to identify any variances between the two systems which should be amended as identified.

recommendation has been completed

41

2022/23. Change Programme

The Action Log for the Change Board should be amended to include revised implementation dates when actions have not been completed by their due date, explanations where actions are overdue and the actual completion dates of ongoing actions.

MEDIUM



Senior Business
Analyst

30/04/2023

Management Comments: There are now columns for Due Date, Revised Due Date and Task Completion Date, alongside the status and comments. These changes were made within a day or so of the final audit recommendations report being received. Actions relating to Organisational Change Board were reviewed at its last meeting of 16/05/2023. Communities Change Board reviewed the actions when it sat earlier today (30/05/2023).

Internal Audit Comments: We reviewed the action log and confirm it has been updated to include due dates, revised due dates, task completion dates and status updates. The action log is reviewed during the Change Board meetings and is continuously updated. We confirm this recommendation is complete

2022/23. Housing Rents

There should be a segregation of duties between clearing the suspense account and its subsequent approval.

MEDIUM



Income
Manager -
Financial
Services

31/05/2023

Management Comments: Please see attached document which provides details and authorisation of the Suspense Account Transfers

Internal Audit Comments: We reviewed the QL systems suspense account transfers spreadsheet and confirmed that the clearing of suspense accounts was done with a segregation of duties. We therefore confirm that this recommendation is complete.

2022/23. Housing Rents

The Council should ensure that a segregation of duties is in place for Housing Stock Reconciliations where there is a separate person authorising the reconciliation.

MEDIUM



Senior
Management
Accountant





31/05/2023





Management Comments: As of January, the stock rec is reviewed and signed off my manager.

Internal Audit Comments: We reviewed the stock reconciliation



spreadsheet provided and confirmed that the stock was reconciled and reviewed by a segregation of duties. We therefore confirm that this recommendation is complete.

RECOMMENDATIONS: IN PROGRESS

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 Environment	Discussions between the Environmental Sustainability (ES) team and relevant heads of service across the Council should be held to assign action owners to the actions set out in the plans. Where action requires joint action owners all involved should be noted however, one action owner should take responsibility for progressing and reporting on the action to the SG	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 30/09/2023	<p>Management Comments: Work is in progress to further refine the master plan. A comprehensive list of actions has been agreed. CMT has agreed some amendments to improve its use across the Council including ensuring relevant teams are assigned to actions and to ensure alignment with other corporate documents. Propose due date of 30 September 2023.</p> <p><i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee</i></p>
43 2021/22 Environment	Quarterly reports on the progress of the NZOAP and CMP should be made to the SG by the action owners.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 30/09/2023	<p>Management Comments: Work is in progress to further refine the master plan. A comprehensive list of actions has been agreed. CMT has agreed some amendments to improve its use across the Council including ensuring relevant teams are assigned to actions and to ensure alignment with other corporate documents. Propose due date of 30 September 2023.</p> <p><i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i></p>
2021/22 Environment	The SG should maintain a log of all related external funding received and applied for in relation to net zero carbon activities.	HIGH 	Mish Tullar (Head of Corporate Strategy)	28/02/2023 30/06/2023 30/09/2023	<p>Management Comments: This is underway, delayed due to vacancies in the team.. Propose due date of 30 September 2023</p> <p><i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i></p>
2021/22 Environment	The net zero target date should be consistently and clearly articulated in all corporate documents.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 30/09/2023	<p>Management Comments: Work is in progress to further refine the master plan. A comprehensive list of actions has been agreed. CMT has agreed some amendments to improve its use across the Council including ensuring relevant teams are assigned to actions and to ensure alignment with other corporate documents. Propose due date of 30 September 2023.</p> <p><i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i></p>

4	2021/22. Environment	Action plans resulting from corporate documents should ensure alignment with the NZOAP/CMP as far as possible. For example, we noted that an action plan for the Asset Management Strategy is currently being developed, and it would be beneficial to ensure that actions detailed in this are aligned to those in the CMP.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 30/09/2023	Management Comments: Work is in progress to further refine the master plan. A comprehensive list of actions has been agreed. CMT has agreed some amendments to improve its use across the Council including ensuring relevant teams are assigned to actions and to ensure alignment with other corporate documents. Propose due date of 30 September 2023. Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.
	2021/22. Environment	The principle of taking further action to improve Environmental Impact Assessments in Cabinet reports is agreed. Dedicated officer support is provided through the Environmental Sustainability team to deliver this. How the Cabinet report template is structured and decisions on the wording of guidance on EIAs will need further consideration.	MEDIUM 	Mish Tullar (Head of Corporate Strategy) (supported by Head of Law & Governance and the Executive Director of Development)	30/12/2022 30/04/2023 30/09/2023	Management Comments: Internal Audit Comments: The ES team have regarded this recommendation as complete however this action will remain open until supporting evidence has been provided to support this recommendation. Therefore, this will be followed up on 30 September 2023
	2021/22. Environment	The Council should undertake a skills audit and analyse the results to identify key training needs, and consider online carbon literacy and biodiversity training for all staff	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 1/01/2024	Management Comments: Carbon literacy training has been delayed due to staff vacancies in the team and necessary prioritisation of other work." Due date of 1 Jan 2024 Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.
	2021/22. Environment	Recruitment to roles that intersect with the ES team should be discussed with relevant staff and clarity over roles and responsibilities and the interface with ES should be detailed prior to recruitment. The Council should be mindful of any potential disparities in grades.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023 30/09/2023	Management Comments: There are a number of vacancies that have been advertised for the ES team these were discussed with relevant staffs and roles and responsibilities are now more clearly defined. However, we have not evidenced the plans Internal Audit Comments: Although vacancies have been advertised for the ES team we were unable to evidence the discussions undertaken and therefore this action will remain open until we can evidence the completion of this action

RECOMMENDATIONS: OVERDUE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22. Environment	The Council should review its governance arrangements and identify a feasible solution to ensure that decisions taken by the Development Board, Housing Supply Programme Group, ODG and CMT do not contravene the opinions of the SG in relation to achieving net zero carbon by 2030. Where activities are geared towards the zero carbon Oxford by 2040 as opposed to the net zero carbon Council 2030 target, it should be made clear that this is the case.	MEDIUM 	Executive Director of Development	31/12/2022 30/06/2023 31/12/2023	<p>Management Comments: We are progressing this action and further discussions are scheduled within the Net Zero Steering Group. This is about ensuring decisions taken by the development board, housing supply and ODG do not contravene the SG. There are further discussions within the Net Zero SG meeting wc 24 July 2023.</p> <p>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</p>
45 2021/22. Environment	The prioritisation matrix for capital projects should be updated to include positive weightings for net zero carbon outcomes and/or penalise projects that are detrimental to this agenda.	MEDIUM 	Executive Director of Development	28/02/2023 30/06/2023 31/12/2023	<p>Management Comments: We haven't used a prioritisation matrix for our capital schemes for a number of years now. Each project is currently considered on its individual merits by Development Board based on the strength of its business case, before being put forward to members in an individual Cabinet report if approved.</p> <p>Our proposal is to introduce a scoring system as individual projects come through that favourably weights positive carbon and environmental impacts, with projects needing to meet a minimum score to proceed. I have amended the deadline on this action to reflect the time we will need to progress.</p> <p>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</p>

FOR MORE INFORMATION:**GREG RUBINS**

+44 (0)238 088 1892
Greg.Rubins@bdo.co.uk

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