

Minutes of a meeting of the Audit and Governance Committee on Wednesday 18 January 2023

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Committee members present:

Councillor Fry (Chair)	Councillor Latif (Deputy Chair)
Councillor Corais	Councillor Railton
Councillor Jarvis	Councillor Roz Smith

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services (remote attendance)
Bill Lewis, Finance Accounting Manager (remote attendance)
Marcia Ecclestone, Legal Adviser (remote attendance)
Lucy Brown, Committee and Member Services Officer

Also present:

Ryan Taylor, Financial Accounting Assistant (remote attendance)
Yasmin Ahmed, Internal Auditor (BDO)
Max Armstrong, Internal Auditor (BDO)
Helen Bishop, Head of Business Improvement (remote attendance)
Gail Malkin, Head of People (remote attendance)
Jane Winfield, Head of Corporate Property (remote attendance)
Emma Gubbins, Corporate Assets Lead (remote attendance)
Phil McGaskill, Revenues Manager (remote attendance)
Stephen Gabriel, Executive Director for Communities and People (remote attendance)
Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services

Apologies:

Councillors Hall sent apologies.
Substitutes are shown above.

26. Declarations of Interest

There were no declaration of interests received.

27. Risk Management Reporting as at 31 December 2022

Bill Lewis, Financial Accounting Manager, introduced the report which updated the Committee on both corporate and service risks as at 30 December 2022 and highlighted the changes to the service risk register with one former green risk closed, and the red risks reduced to eight of which are detailed in the report.

Nigel Kennedy, Head of Financial Services and Bill Lewis answered Members' questions as follows:

- The service risk rating for Regeneration and Major Projects highlighted within the report, related to staffing budget bids for Corporate Property and the Regeneration and Economy Team, and confirmed that these were listed within the budget bid.
- Due to the increase in raw materials and lack of contractors in building services, buildings insurance had increased, however as this was a market reaction, it remained out of the control of the Council. All insurance is fully reviewed at renewal date, at the next tender the most economically advantageous insurance provider would be chosen.

The Committee noted the report.

28. Statement of Accounts for the year ended 31 March 2022

Adrian Balmer, External Auditor, Ernst & Young, provided a verbal update to update the Committee on the 2021/22 accounts. He advised that since the audit plan was presented in July 2022, audit fieldwork commenced and ran until December 2022, and areas identified had been picked up by the Council. Work needs to be undertaken on internal recharges, grants and ODS, all of which would be reviewed again in March/April 2023. It was expected that a substantive audit report would be provided to the Committee at its next meeting.

Nigel Kennedy, Head of Financial Services, advised the Committee of the outcome of the PSAA tendering process for the UK on 3 October 2022, of which Ernst & Young had been appointed for a five year term from 2023/2024.

29. Setting of Council Tax Base 2023/24

Bill Lewis, Financial Accounting Manager introduced the report which asked the Committee to consider and approve the Council Tax Base for 2023-24. He advised that the Tax Base was the estimate of the taxable capacity of the area of the period, and the number of dwellings in each valuation band were converted to Band D equivalents and this was then used in the Council Tax setting process to calculate the yield from Council Tax for 2023/24. The factors taken into account in the calculation of the Tax Base were shown in the report.

Cllr Roz Smith declared an interest in this item, as a Parish Councillor for Risinghurst and Sandhills, this was not a pecuniary interest, however made for reasons of transparency.

Bill Lewis and Phillip McGaskill, Revenues Manager, responded to Members' questions as follows:

- The total amount of Council Tax collected, if Long Term Empty Premium properties were all brought back into use would reduce quite significantly.
- The 200% premium was regularly collected on these properties, at a rate of approximately 98%. However, the majority of these properties are owned by the Universities that choose to keep them for their own use. A breakdown of these properties would be provided to the Committee.
- Some of these properties could be brought back into use. However, a number would require substantial renovation, at a cost to the Council.
- Provision had been made for how long a property remained empty before becoming eligible for the Long Term Empty Premium from two years to one year. The rate of premium could also be increased for those properties left empty for a significant amount of time.

The Committee were **resolved to agree:**

1. That the 2023/24 Council Tax Base for the City Council's area as a whole is set at 45,838.1 (as shown in Appendix 1).
2. That the projected level of collection is set at 98%.
3. That the tax bases for the Parishes, and for the Unparished Area of the City (as shown in Appendix 2) be set as follows:

Unparished Area of the City	38,146.9
Littlemore Parish	2,012.0
Old Marston Parish	1,290.4
Risinghurst & Sandhills Parish	1,560.6
Blackbird Leys Parish	2,982.2
City Council Total	45,838.1

30. Internal Audit Progress Report - January 2023

Yasmin Ahmed, Internal Auditor (BDO) presented the internal audit progress report for January 2023, which informed the Committee on progress made against the internal audit plan for 2022/23, and highlighted the following:

- The following reports presented to the Committee were Sickness & Absence Management, Treasury Management, NNDR & Business Rates Pooling and Income Generation.
- Fieldwork was underway for Cyber Security, Housing Rents, Change Programme, Planned Maintenance and Refurbishment, Enforcement Restructure and Contract Management & Procurement, which would come to the next Committee meeting.

Helen Bishop, Head of Business Improvement advised that the management response to the findings on Absence Management, referenced the Council's move towards a culture where leaders were accountable for developing a high performing, high capability and engaged workforce. She further advised that amongst other things, leadership included accountability and ownership for all aspects of performance management of individuals, and attendance management was part of this, which signified a move away from HR as the enforcer of processes, rather the supporter, providing advice and guidance. This was supported by recommendations from CMT for increased governance of attendance management requesting increased leadership oversight at case level.

In response to Members' consideration of this response, Helen Bishop agreed that as part of the new governance around this policy, additional advice would be given to Service Managers to ensure periodic checks take place.

Councillor Corais arrived at the meeting.

During further discussions, the following was noted:

- The Employee Assistance Programme was available for all staff for counselling and general guidance, for longer term absence, staff were referred to Occupational Health.
- A leadership development programme was being developed to motivate performance and mental well-being would form part of that.

The Committee complimented the Council's Treasury Team on achieving a substantial rating for another year and noted the report.

31. Internal Audit Follow Up Report - January 2023

Max Armstrong, Internal Audit (BDO) presented the internal audit follow up report which informed the Committee on the implementation of the recommendations from their previous internal audit reviews. He advised that of the eleven outstanding audits, nine had been completed, and two high level recommendations had been re-categorised as medium due to works completed.

The Committee noted the report.

32. Internal Audit - Income Generation

Max Armstrong, Internal Auditor (BDO) presented the report which provided information following the completed Income Generation internal audit as at December 2022. He advised that forty commercial rent accounts were reviewed to assess whether customers were billed accurately and in a timely manner, and the audit identified four cases of which were detailed in the report.

Emma Gubbins, Corporate Assets Lead, in response to a Members' questions advised the following:

- Inaccurate billing raised in the report was due to human error and the lack of reconciliation between Agresso (the financial management system) and Uniform (the asset management system). The Council is seeking an alternative Asset Management System which would include functionality to provide increased automation in the rent charging process. A tender will go out in the next few weeks, and it was hoped would be secured within the next three to six months.
- Recommendations from the report had been helpful in developing systems between the two teams, enabling closer monitoring of outstanding accounts and closer working practices.
- Whilst there remained a vulnerability due to human processing, systems and processes had been developed to mitigate these.
- A Service Level Agreement would be developed for the implementation of the new asset management system if appropriate.

The Committee requested an update regarding the ongoing response to the audit findings and implementation of the asset management system from the Corporate Property Team for the next Committee meeting.

The Committee noted the report.

33. Matters exempt from publication and exclusion of the public

The Audit & Governance Committee passed a resolution in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 to exclude the press and members of the public on the grounds that Oxford City Council, Town Hall, St Aldate's Oxford OX1 1BX their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

34. Internal Audit - Income Generation - Confidential Annex to the Public Report

Max Armstrong, Internal Auditor (BDO), presented the report which provided the detailed findings of the Income Generation audit for rent arrears that were not recovered in a timely manner due to responses/instructions on recovery not being sent to the income team, held in confidential session.

The Committee noted the report.

35. Housing Management System (QL) Project Progress Report

Stephen Gabriel, Executive Director for Communities and People, presented the report which provided an update on the implementation of the Housing Management System QL, the issues encountered and the work done to date to resolve these issues.

The Committee noted the report.

36. Minutes of the previous meeting

The Committee agreed to **approve** the minutes of the meeting held on 28 September 2022 as a true and accurate record.

37. 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 8.35 pm

Chair

Date: Wednesday 26 April 2023

When decisions take effect:

Cabinet: after the call-in and review period has expired

Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

All other committees: immediately.

Details are in the Council’s Constitution.