

# Agenda

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## Audit and Governance Committee

This meeting will be held on:

Date: **Wednesday 26 April 2023**

Time: **6.00 pm**

Place: **Long Room - Oxford Town Hall**

**For further information** please contact:

Lucy Brown, Committee and Members Services Officer

01865 252784  [lbrown@oxford.gov.uk](mailto:lbrown@oxford.gov.uk)

**Members of the public can attend to observe this meeting and.**

- may register in advance to speak to the committee in accordance with the [committee's rules](#)
- may record all or part of the meeting in accordance with the Council's [protocol](#)

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## **Committee Membership**

Councillors: Membership 7: Quorum 3: substitutes are permitted.

Councillor Tiago Corais

Councillor James Fry

Councillor Duncan Hall

Councillor Chris Jarvis

Councillor Dr Amar Latif

Councillor Roz Smith

Councillor Imogen Thomas

Apologies and notification of substitutes received before the publication are shown under *Apologies for absence* in the agenda. Those sent after publication will be reported at the meeting. Substitutes for the Chair and Vice-chair do not take on these roles.

# Agenda

	<b>Pages</b>
<b>1 Apologies for absence and substitutions</b>	
<b>2 Declarations of Interest</b>	
<b>3 Risk Management Report as at 31 March 2023</b>	9 - 22
<b>Report from:</b> Head of Financial Services	
<b>Purpose of report:</b> To update the Committee on both corporate and service risks as at 31 March 2023.	
<b>Recommendation:</b> that the Committee reviews the risk management report and notes its contents.	
<b>4 External Audit: Statement of Accounts 2021-2022 - verbal update</b>	
The external auditors, Ernst & Young, will provide a verbal update to the Committee.	
<b>5 Internal Audit: Progress Report - April 2023</b>	23 - 44
<b>Report of:</b> the Internal Auditor, BDO	
<b>Purpose of report:</b> to inform the Committee on progress made against the 2022/23 internal audit plan.	
<b>Recommendation:</b> to discuss and note the report.	
<b>6 Matters exempt from publication and exclusion of the public</b>	
If the Committee wishes to exclude the press and the public from the meeting during consideration of any aspects of the preceding agenda items it will be necessary for the Committee to pass a resolution in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 specifying the grounds on which their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Part 1 of Schedule 12A of the Act if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the	

information.

(The Access to Information Procedure Rules – Section 15 of the Council’s Constitution – sets out the conditions under which the public can be excluded from meetings of the Council).

## **7 Cyber Security Report (to follow)**

*This item includes exempt information pursuant to Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. If Council wishes to discuss matters relating to the information set out in Appendix 3 to the report, it will be necessary for the Council to pass a resolution to exclude the press and public from the meeting (as set out at agenda item 6).*

The report will follow as a separate late supplement.

## **8 Internal Audit: Follow Up Report - April 2023**

45 - 68

**Report of:** the Internal Auditor, BDO

**Purpose of report:** to inform the Committee on the implementation of the recommendations from their previous internal audit reviews.

**Recommendation:** to discuss and note the report.

## **9 Internal Audit: Audit Plan 2023/24 and Strategic Plan 2023-26**

69 - 88

**Report of:** the Internal Auditors, BDO

**Purpose of report:** to set out the proposed Internal Audit Plan for 2023/24 and the Strategic Plan for 2023-26.

**Recommendation:** to discuss and approve the Internal Audit Plan for 2023/24 and the Strategic Plan for 2023-26.

## **10 Minutes of the previous meeting**

89 - 94

To approve as a true and accurate record the minutes of the meeting held on 18 January 2023.

## **11 Matters exempt from publication and exclusion of the public**

If Council wishes to exclude the press and the public from the meeting during consideration of any aspects of the preceding agenda items it

will be necessary for Council to pass a resolution in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 specifying the grounds on which their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Part 1 of Schedule 12A of the Act if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

(The Access to Information Procedure Rules – Section 15 of the Council’s Constitution – sets out the conditions under which the public can be excluded from meetings of the Council)

## **12 Confidential minutes of the previous meeting**

95 - 96

*This item includes exempt information pursuant to Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. If Council wishes to discuss matters relating to the information set out in Appendix 3 to the report, it will be necessary for the Council to pass a resolution to exclude the press and public from the meeting (as set out at agenda item 11).*

To approve as a true and accurate record the confidential minutes of the meeting held on 18 January 2023.

## **13 Dates and times of meetings**

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

26 July 2023

27 September 2023

31 October 2023

17 January 2024

08 April 2024

## **Information for those attending**

### **Recording and reporting on meetings held in public**

Members of public and press can record, or report in other ways, the parts of the meeting open to the public. You are not required to indicate in advance but it helps if you notify the Committee Services Officer prior to the meeting so that they can inform the Chair and direct you to the best place to record.

The Council asks those recording the meeting:

- To follow the protocol which can be found on the Council's [website](#)
- Not to disturb or disrupt the meeting
- Not to edit the recording in a way that could lead to misinterpretation of the proceedings. This includes not editing an image or views expressed in a way that may ridicule or show a lack of respect towards those being recorded.
- To avoid recording members of the public present, even inadvertently, unless they are addressing the meeting.

Please be aware that you may be recorded during your speech and any follow-up. If you are attending please be aware that recording may take place and that you may be inadvertently included in these.

The Chair of the meeting has absolute discretion to suspend or terminate any activities that in his or her opinion are disruptive.

### **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". 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.

**To:** Audit and Governance Committee  
**Date:** 26 April 2023  
**Report of:** Head of Financial Services  
**Title of Report:** Risk Management Reporting as at 31 March 2023

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To update the Committee on both corporate and service risks as at 31 March 2023
<b>Key decision:</b>	No
<b>Cabinet Member with responsibility:</b>	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
<b>Corporate Priority:</b>	
<b>Policy Framework:</b>	
<b>Recommendations:</b> that the Committee reviews the risk management report and notes its contents	

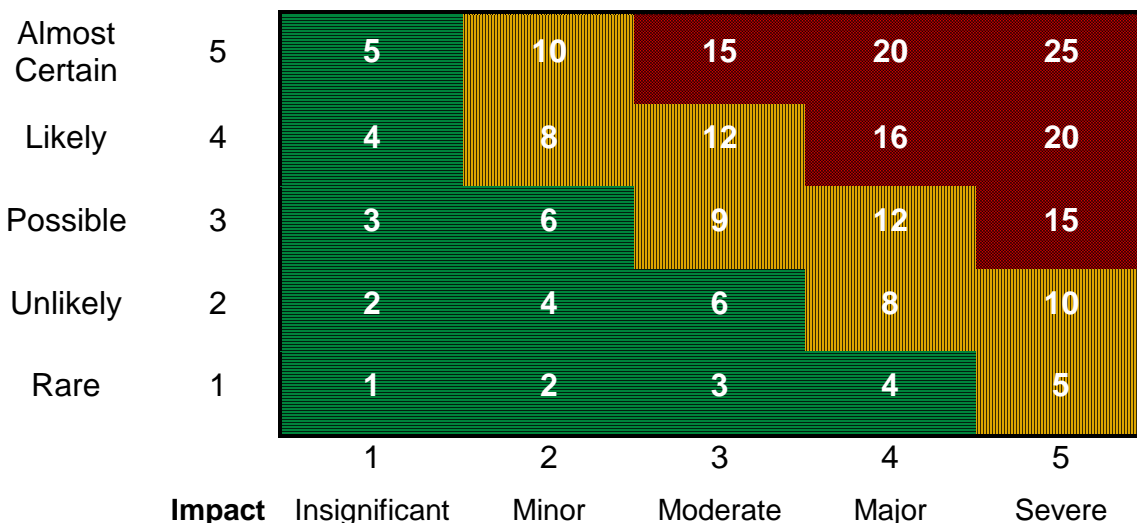
<b>Appendices</b>	
Appendix A	Corporate Risk Register

## Risk Scoring Matrix

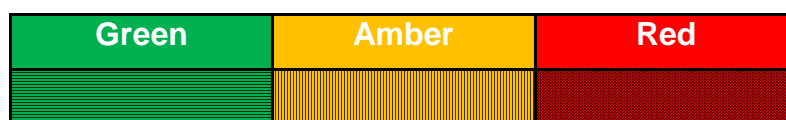
1. The Council operates a 'five by five' scoring matrix based on probability and impact. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example if 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**



**Key:**



**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 31 March 2023 is attached at Appendix A.



## Corporate Risk Register – 31 March 2023

The number of Red risks has been reduced to four. The Terrorism risk has been reduced to Amber. The national risk level for England has been downgraded from Severe to Substantial, meaning an attack is unlikely. The impact of a terrorist incident is difficult to determine, but prevention activities are in place to lessen the impact and likelihood of an attack in the City of Oxford.

### 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. Whilst COVID 19 restrictions are currently lifted, the supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened 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, taking action where possible. 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. The Oxford Flood Alleviation Scheme (OFAS) scheme continues to progress. Work is ongoing through Zero Carbon Oxfordshire Partnership (ZCOP) to reduce carbon emissions across the City. Oxford City Council's Carbon Management Plan, ongoing work around flood mitigation, tree planting and partnership with

the EA-led programme to deliver the Oxford Flood Alleviation Scheme. Control measures relating to advocacy, clear communication and negotiation over our land assets, in particular at Seacourt and Redbridge Park and Ride sites (Seacourt extension) are also employed.

- **Delivery of Services by External Suppliers/Partners/Supply Chain** – this relates to the Councils arrangements for the management of its leisure centres by an external body. The external partner continues to focus on embedding their new delivery model which in summary is a reduction of staff in the Oxford contract, a concierge cashless system, they have exited their offices, reduced support services, alongside implementing COVID safe procedures. Recruitment is a challenge and there is a requirement for safeguarding checks, induction and mandatory training before employees can commence duties. Given the state of the leisure industry at present, the risk is that partner is manoeuvred into a position where they are unable to deliver on the contract and the Council will need to take back responsibility of delivering the services. It is worth noting that the Councils leisure management contract expires in 2024 and the council are about 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.
- **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. However, uncertainty due to changes in Government are offset to some extent with the return of the former DLUHC Secretary of State. The collapse of the Oxfordshire 2050 plan has added to the uncertainty at an Oxfordshire level. Partnership working, a key mitigation of those risks continues regardless.
- **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.

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

### **Service Risk Registers – 31 March 2023**

10. 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.
11. The table below shows the number of service risks as at 31 March compared with the last 12 months.

<b>Current Risk</b>	<b>Q1 2022/23</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Q4 2022/23</b>
Red	6	9	8	8
Amber	47	42	42	42
Green	16	19	19	19
<b>Total risks</b>	<b>69</b>	<b>70</b>	<b>69</b>	<b>69</b>
New risks in quarter	1	1	0	0
Closed	0	0	1	0

12. The number of Red risks has remained at eight. One former Red Risk relating to Regulatory Services – Public Health Protection has reduced to Amber as there have been no changes to Public Health risks. One risk relating to Community Services – Hinksey Heated Outdoor Pool Cover has increased from Amber to Red. No reason has been provided by the Service Area but assume that this may be as a result of the pool re-opening for the summer season, resulting in more visitors to the pool and surrounding park area which in turn increases the risk of serious incident or injury either during opening hours or potential unauthorised access after-hours.

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 leading to the need to redesign processes and procedures. News of the Planning Bill is still awaited. 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 which has been additionally impacted due to the Covid-19 crisis. 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. The current market instability and inflationary pressures are causing issues and delays on several projects.

## **Business Continuity**

13. 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.
14. 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**

**15.** 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 2022/23:-

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

**16.** The Risk Management Group met on the 21<sup>st</sup> February 2023. On the Agenda for discussion included:-

- Planning Risk Register review. This was found to be acceptable with some minor amendments required which the Head of Service will action.
- Data Asset Registers. These record every type of data within each area. In July 2023 there will be a full audit which will identify any training needs, asset registers will then be updated. The results will be reported to A & G.
- Review of Service Red Risks. These were discussed with each of the Risk Owners. Recommendations were made to move the risks surrounding recruitment/staffing capacity and the pressure on managers and staff as a result of work levels remaining high, to the Corporate Risk Register.

- Corporate Business Continuity Plan. This has been reviewed and updated. Service Plans are to be reviewed and updated once Corporate BCP has been agreed at CMT.
- Review quality of risk analysis in Cabinet Reports. Services will again be reminded by Law and Governance to ensure that risk registers have been completed for reports tracking to Council committees

The next Risk Management Group meeting is scheduled for 20 June 2023.

### **Climate Change/Environmental Impact**

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

### **Equalities Impact**

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

### **Financial Implications**

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

### **Legal Implications**

20. 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.

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**List of background papers: None.**

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# Corporate Risk Register



Service	Ref	Title	Risk description	Opp/ threat	Cause	Consequence	Owner	Gross Impact	Gross Probab ility	Current Impact	Current Probab ility	Risk Score	Residu al Impact	Residu al Probab ility	Comments	Date Added	Control description	Due date	Control Status	Progress
1 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		31/03/21				
2	CE001																Develop meaningful measures of success and identify benefits to be realised	28/02/20	Completed	100%
3	CE001																Agree corporate governance, to include ownership at CMT & ODG and Transformation Board	31/10/22	In Progress	95%
4 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		31/03/21				
5	CE002																Regular monitoring meetings and escalation were appropriate	31/10/22	In Progress	90%
6 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/divestment 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		01/06/18				
7	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%
8 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		01/06/18				
9	CRR-002																Ensure companies are on schedule to deliver returns to Council	31/03/23	In Progress	70%
10	CRR-002																Review of transformation savings	31/03/23	In Progress	70%
11	CRR-002																Regular monitoring of revenue and capital budgets and ensuring savings and increased income are on target	31/03/23	In Progress	80%
12	CRR-002																Start budget setting early and drive savings in conjunction with members with a full budget reset in December	31/12/22	In Progress	15%
13	CRR-002																Expenditure Restraint	31/03/23	Ongoing	100%
14	CRR-002																Keep abreast of changes to Business rates reforms and Fair funding	31/03/23	Ongoing	100%
15	CRR-002																Lobby Government	31/03/23	Ongoing	100%
16 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		01/06/18				
17	CRR-003																Continue to take forward opportunities to purchase S106 dwellings through the HRA.	31/03/22	Completed	100%
18	CRR-003																Maximise access to alternative funding programmes - Homes for England, HIF and Housing Growth fund	31/03/23	In Progress	75%
19	CRR-003																Continuing to work with Registered Provider partners to enable supply of more affordable housing	31/03/23	In Progress	75%
20	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%
21	CRR-003																Housing delivery test in Planning ongoing. Deliver the housing delivery test action plan in Planning.	31/03/22	Completed	100%
22	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%
23	CRR-003																Delivery of regeneration schemes, including Blackbird Leys.	31/03/23	In Progress	40%
24	CRR-003																Purchase of Council dwellings from Barton Park development.	31/03/25	In Progress	50%
25	CRR-003																Deliver OCHL business plan to increase scale and speed of delivery.	31/03/23	In Progress	70%
26	CRR-003																Reevaluate financial appraisals of development sites and make any adjustment to ensure continued viability.	31/03/23	In Progress	80%
27 Business Improvement	- CRR-004	Recruitment and retention of the workforce	The challenge of recruitment and retention in some service areas, and ensuring succession planning exists for critical hard to fill roles.	T	- Proximity to London - High cost of housing - Congested infrastructure and transport links	Reduced capacity to deliver, especially in high profile projects	Helen Bishop	3	4	3	3	9	2	3		01/06/18				
28	CRR-004																Develop and implement improved recruitment processes [incl. use of social media, 'staff stories' and other promotional material]	31/03/23	In Progress	25%

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Service	Ref	Title	Risk description	Opp/ threat	Cause	Consequence	Owner	Gross Impact	Gross Probability	Current Impact	Current Probability	Risk Score	Residual Impact	Residual Probability	Comments	Date Added	Control description	Due date	Control Status	Progress	
	CRR-004																Develop employer brand	31/03/23	In Progress	25%	
	CRR-004																Develop greater understanding of reasons for staff leaving and obtain insight into their 'work experience' whilst at council	31/03/23	In Progress	40%	
	CRR-004																Development of 'talent pipeline' including work experience, apprenticeships, graduate placement, sponsoring students through qualification, etc.	31/03/23	In Progress	40%	
	CRR-004																Review of employment offer for hard to fill and specialist roles [pay, flexible working practices, employee benefits]	31/03/23	In Progress	40%	
Financial Services	CRR-005	Resilience of Trading Models	The Council Companies are not successful and fail to deliver outputs and financial returns	T	Lack of skilled direction from Directors; Lack of capacity Lack of commercial focus Shortfalls in income forecasts Deficiencies in governance Housing Company sites not delivered to planned timescales Directors not recognising the control that a holding organisation properly has over their operations and outputs	Reputational damage of failing companies Reduced financial returns to the Council impacting on MTFP Lack of delivery of dividends to the Council	Nigel Kennedy	4	3	4	3	12	3	3		01/06/18					
	CRR-005																Update and improve ODS Operating Model	31/03/23	In Progress	30%	
	CRR-005																Delivery of Improved systems	31/03/23	In Progress	50%	
	CRR-005																Governance over all joint ventures and companies	31/03/23	In Progress	50%	
	CRR-005																Strategic Review of OCHL	31/03/23	In Progress	50%	
	CRR-005																Review dividend policy - OCHL	31/03/23	In Progress	70%	
	CRR-005																Internal audit of companies review by BDO	31/03/23	In Progress	80%	
	CRR-005																Presentation of updated business plan on a quarterly basis to shareholder -ODS & OCHL shareholders	31/03/23	In Progress	80%	
	CRR-005																Reporting to shareholder for Barton	31/03/23	Ongoing	100%	
	CRR-005																Reporting to shareholder for Oxwed	31/03/23	Ongoing	100%	
	CRR-005																Establish robust system of shareholder and scrutiny meetings for wholly owned companies. Changed the shareholder and scrutiny meeting arrangements earlier in the year.	31/03/22	Completed	100%	
Corporate Strategy	CRR-006	Local Government Reorganisation	Risk that the reorganisation or devolution is imposed to the detriment of the Council and the City	T	The 2017 bid for an Oxfordshire-wide unitary authority has sat dormant since Government made clear it has 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. However, uncertainty is once again increased with the prospect of replacement of the Prime Minister and Cabinet, and a potential change in Government policy. Though, it is not yet clear whether risks around local government reorganisation - or in relation to the future of the Arc will increase or decrease.	If debate is reopened: - Significant distraction of resources and focus into making City's case in argument - Significant disruption to partnership working and loss of opportunities for significant infrastructure investment - Risk of weakened focus on Oxford's priorities in a single Unitary - Potential negative impact on community through loss of local accountability for investment and services Adverse impact on resourcing Adverse impact on the growth deal and partnership working	Mish Tullar	5	3	4	2	8	4	1		01/06/18					
	CRR-006																Ongoing partnership work through the Future Oxfordshire Partnership, bilaterally with Fast Growth Cities group partners and with our neighbours and across the Ox-Cam Arc	31/12/23	In Progress	Uncertainty due to changes in Government are offset to some extent with the return of the former DLUHC Secretary of State. The collapse of the Oxfordshire 2050 Plan has added to uncertainty at an Oxfordshire level. Partnership working - a key mitigation of those risks - continues regardless.	
	CRR-006																The increase in uncertainty arising from a new Government is partly offset by the return of the former DLUHC Secretary. We are still working to build consensus around the Ox-Cam Arc & seek levers to influence around Oxford priorities. There is additional uncertainty at an Oxfordshire level with the collapse of the Oxfordshire 2050 Plan. However, there is now closer working on environment and transport matters.	31/12/23	In Progress	60%	
Business Improvement	CRR-007	Business Continuity Planning and Disaster Recovery including ICT Recovery Plan	There is an adverse impact on continuous business operation due to unplanned events.	T	- Disruptive event hindering access to building -Disruptive event affecting full functionality of building. - Major technology incident (physical or cyber).	Non-delivery of business operation	Helen Bishop	3	3	3	3	9	3	2		01/06/18					
	CRR-007																Desktop review of BCP	31/03/23	Not yet started	0%	
	CRR-007																Re-establish Risk Management Group	20/02/19	Ongoing	100%	
	CRR-007																All Services to review and sign-off their BC plans to ensure up-to-date.	31/03/23	Ongoing	100%	
	CRR-007																CMT to approve software priority restoration list from all Services BC plans.	30/06/19	Completed	100%	
	CRR-007																Include ICT systems outages in business continuity plan tests.	01/10/18	Completed	100%	
	CRR-007																Assure ICT backup and restore capabilities	31/03/23	Ongoing	100%	
	CRR-007																All Service Areas to review their business continuity plans to ensure they are actionable in case of an unplanned ICT outage.	31/03/23	Ongoing	100%	
	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.	31/03/22	Completed	100%	

Service	Ref	Title	Risk description	Opp/ threat	Cause	Consequence	Owner	Gross Impact	Gross Probability	Current Impact	Current Probability	Risk Score	Residual Impact	Residual Probability	Comments	Date Added	Control description	Due date	Control Status	Progress	
56	Community Services	CRR-012	Delivery of Services by External Suppliers/Partnerships / Supply Chain	The negative performance of suppliers has a direct impact on the Councils 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 canceled 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		01/06/18				
57		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.	01/04/23	In Progress	70%	
58	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/Isis) and in 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		01/06/18				
59		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 treeplanting. There is now increasingly closer working with District and County Councils on response to climate and environmental crises.	31/03/24	In Progress	50%	
60		CRR-008															Partnership with the EA led programme to deliver the Oxford Flood Alleviation Scheme	31/03/24	In Progress	40%	
61		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%	
62	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 of safety). Non-delivery of Council services	Ian Wright	5	2	4	3	12	4	2	The national risk level for England has been downgraded from Severe to Substantial, meaning an attack is likely. The impact of a terrorist incident is difficult to determine, but prevention activities are in place to lessen the impact and likelihood of an attack in the city.	01/06/18				
63		CRR-009															Work with partners, particularly the Police and County Council, on the Crowded Places Plan that includes mitigation interventions. Implementation of Martyr's Law requirement when enacted in 2023.	31/03/24	In Progress	75%	
64		CRR-009															Council's emergency plan includes link to Crowded Spaces Evacuation Plan	31/03/23	Ongoing	100%	
65		CRR-009															Emergency plans for Council-operated buildings include dealing with a terrorist attack.(including building lock-down procedure)	31/03/23	In Progress	40%	
66		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 Commarket Street being a priority. Some HVM is in place in Broad Street. St Michaels Street will use planters as an interim measure and Commarket has some street furniture that offers some mitigation of risk.	31/03/24	In Progress	50%	
67	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		01/06/18				
68		CRR-010															Ensure any security breaches are dealt with appropriately, in line with policies	31/03/23	Ongoing	100%	
69		CRR-010															Ensure PSN accreditation is achievable. Allocate funding as necessary to ensure remedial work can be delivered.	31/03/23	Ongoing	100%	
70		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.	31/03/23	Ongoing	100%	
71		CRR-010															Ensure adequate cyber defences (firewalls, anti-virus, anti-malware, password protection, two-factor authentication) are in place, as too are the policies, governance, and resources needed to mitigate risk.	31/03/23	Ongoing	100%	
72		CRR-010															Close	31/03/22	Completed	100%	
73	Housing Services	CRR-011	Health and Safety - Buildings	Failure to comply with the various H&S legislative requirements which ensure the safety of buildings	T	Inadequate training, poor systems and procedures, failure to robustly monitor performance and address this. Inadequate resourcing and skills. Inadequate maintenance of buildings	Corporate manslaughter. HSE investigation and substantial fines. Loss of reputation	Nerys Parry	4	4	4	3	12	3	2		01/06/18				
74		CRR-011															Following CDM audit, implement revised and strengthened governance arrangements.	31/03/23	In Progress	50%	
75		CRR-011															Ongoing monitoring and surveillance of property to ensure compliance.	31/03/23	In Progress	60%	
76		CRR-011															Continued progress with tower blocks, ensuring remaining planned work is complete, including at Hockmore, and continued monitoring to identify and implement any further improvements needed.	31/03/23	In Progress	80%	
77		CRR-011															Health & Safety team have been allocated key areas of responsibilities and are progressing the area highlighted from FRA and Asbestos surveys are rectified to ensure OCC are fully compliant.	31/03/23	In Progress	80%	
78		CRR-001															Lobby for government support to help businesses affected by energy costs and inflation	15/09/22	In Progress		

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# INTERNAL AUDIT PROGRESS REPORT

Oxford City Council

April 2023

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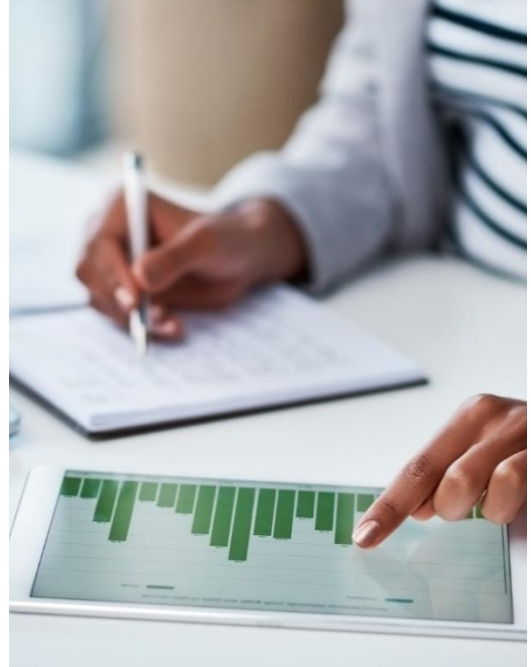
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# SUMMARY OF APRIL 2023 WORK

## 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.

## APRIL 2023 INTERNAL AUDIT PLAN

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

- ▶ Change Programme
- ▶ Enforcement Restructure
- ▶ Cyber Security (to be presented separately in a confidential session)
- ▶ Housing Rents
- ▶ Follow-up Report.

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
- ▶ Contract Management & Procurement.

## CHANGES TO INTERNAL AUDIT PLAN

Community Strategy - We will not be undertaking the Community Strategy audit review as the Council have undergone developments within this area and the scope of the audit work will duplicate the work currently being undertaken.

# REVIEW OF APRIL 2023 WORK

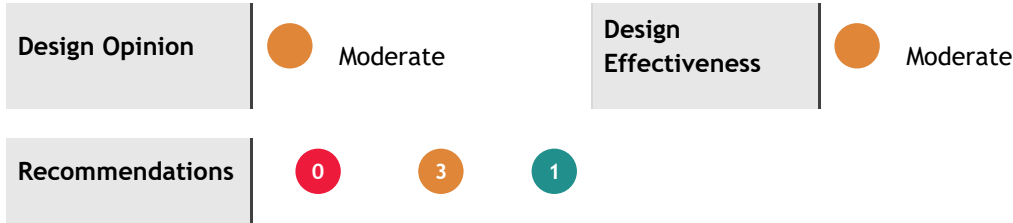
AUDIT	EXEC LEAD	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS	
Audit 1: Car parking	Nigel Kennedy	Sept 22	✓	✓	✓	S	S	
Audit 2: Income Generation	Nigel Kennedy	Jan 23	✓	✓	✓	L	L	
Audit 3: Change Programme	Helen Bishop	Apr 23	✓	✓	✓	M	M	
Audit 4: Planned Maintenance & Refurbishment	Nerys Parry	Jul 23	✓	✓				
Audit 5: Housing Rents	Nerys Parry	Apr 23	✓	✓	✓	M	S	
Audit 6: Community Strategy	Stephen Gabriel	The Community Strategy Audit Review has been cancelled please see comments above.						
Audit 7: Enforcement Restructure	Ian Wright	Apr 23	✓	✓	✓	S	M	
Audit 8: Cyber Security	Helen Bishop	Apr 23	✓	✓	✓	L	L	
Audit 9: NNDR & Business Rates Pooling	Nigel Kennedy	Jan 23	✓	✓	✓	S	M	
Audit 10: Sickness Absence Management	Nigel Kennedy	Jan 23	✓	✓	✓	M	M	
Audit 11: Treasury Management	Nigel Kennedy	Jan 23	✓	✓	✓	S	S	
Audit 12: Contract Management and Procurement	Nigel Kennedy	Jul 23	✓	✓				





# CHANGE PROGRAMME

## CRR REFERENCE: ENABLE AN INCLUSIVE ECONOMY



### SCOPE

#### BACKGROUND

- ▶ The impacts of the pandemic on the local economy and Oxford City Council (the Council) itself continue to be extremely challenging. The Council has seen a sharp increase in expenditure to support those in need, together with a second year of reduced revenues from its core income streams. Income this year is expected to be £500,000 below normal from the Council's leisure centres, £250,000 lower from town hall room hire, £1.5 million down from car parks and £3.74 million less in rents from commercial premises. Earnings from the Council's wholly owned companies Oxford Direct Services Ltd (ODS) and Oxford City Housing Ltd (OCHL) have also been impacted by difficult trading conditions over the course of the pandemic.
- ▶ The total financial impact of COVID-19 on Oxford City Council over the period 2020-2026 is forecast to be £23 million. To date, the Government has provided around £11 million of financial support to the Council in respect of its day-to-day service delivery. A further £4 million has been provided by Government to support the provision of additional measures to support residents and businesses impacted by the pandemic. As a result of the funding shortfall, the Council has had to draw on £11.3 million of its £22 million of accessible reserves, and it is now reviewing all key income streams to take a prudent assumption on the future impact of COVID 19.
- ▶ The Council has identified proposals to reduce expenditure, increase income and transform its services to deliver efficiencies. In total, efficiencies of £16.1 million are planned in the Medium Term Financial Strategy (MTFS) between 2022-2026. Actions will include reducing office space and supporting remote working to enable the letting of two floors of the Council's offices at St Aldates Chambers; provide more digitalisation of the Council's services and going cashless, reviewing ICT data storage and software licences, and delivering efficiencies in the homelessness service as a result of countywide changes to provision.
- ▶ Six work streams have been set up, each with a different delivery lead, strategic lead (Head of Service) and programme manager. These are: people plan, flexible working, business intelligence unit, digital and technology, customer experience and integrated financial and service planning. A Change Team has been developed from June 2022, with reporting of the progress of the programme into the Corporate Management team (CMT) and the Organisational Change Board (Change Board).

#### AREAS REVIEWED

- ▶ We reviewed the Fit for the Future Programme portfolio structure and governance document to assess if governance structures were adequate to oversee the change programme and escalate any issues

- ▶ We reviewed the CMT and Change Board agenda items and action log to assess whether there was adequate oversight of the change programme
- ▶ We reviewed the benefit tracker to assess whether there were efficiency targets for each workstream and projects
- ▶ We reviewed three projects within the Fit for the Future Programme to assess whether financial savings were addressed in the business case proposal and efficiency targets
- ▶ We reviewed workstream programmes and enquired to the Senior Business Analyst about setting and monitoring of key performance indicators (KPIs) at a local and corporate level
- ▶ We interviewed four change agents to assess whether adequate communication and consultation has been undertaken with staff to ascertain the appetite/readiness for change
- ▶ We reviewed the May 2022 pulse survey results to assess whether action has been taken to address areas of weakness
- ▶ We reviewed the risk management for each workstream and the Fit for the Future Programme Risk Register to verify whether risks were effectively identified, monitored and managed.

 AREAS OF STRENGTH


- We identified the following areas of good practice:
- ▶ The Council have an effective governance structure for the Fit for the Future Programme which is outlined in its governing document. These were shared with the Change Board in June 2022 and are accessible to staff via the intranet
  - ▶ Risk registers were retained and owned by the Strategic Lead for each workstream identifying the impact and likelihood on a range of risks. These risk registers were used as live documents as projects developed. Additionally, there was a separate Risk Register for the entire Fit for the Future Programme using Smartsheets which is monitored by the Change Board quarterly
  - ▶ The Council use the Smartsheet System which automatically issues reminder emails to action owners to review and update risk registers periodically
  - ▶ Pulse surveys have been conducted every six months, which have received positive engagement from staff, to provide an insight on staff morale, including the leadership and communication from management. The survey results were reported to CMT and the Organisational Delivery Group to ensure there was adequate oversight of the impact of change on staff from senior management. Actions have been identified to improve staff morale and have been published on the Council’s intranet page. The most recent survey was completed February 2023.

 AREAS OF CONCERN

Finding	Summary of Recommendations	Owner	Due Date
<p>Finding 1 - Medium</p> <p>Critical success measures were not established for all workstreams and were not reported to the Change Board and CMT.</p>	<p>a) Critical success measures should be developed for each workstream by the workstream lead to monitor the effectiveness of projects in delivering efficiencies and financial savings. These critical success measures should be SMART</p> <p>b) The critical success measures from each workstream should be reported to the Change Board quarterly to oversee the impact of project on the overarching critical success measures and escalate any issues where projects benefits have not materialised as expected.</p> <p><u>Management Response</u></p>	Helen Bishop	31 July 2023

	Agreed		
<p><b>Finding 2 - Medium</b></p> <p>The Change Board meetings were not minuted and actions agreed at the Change Board were not followed up to completion.</p>	<p>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.</p> <p><u>Management Response</u> Agreed</p>	Tim Martin	30 April 2023
<p><b>Finding 3 - Medium</b></p> <p>The Change Agents were unclear on their roles and responsibilities, and Change Agents did not meet regularly to share ideas and communicate feedback from staff.</p>	<p>a. The Change Board should liaise with Change Agents to identify further training opportunities and/or guidance on their roles and responsibilities, including expectations around time that they should commit to the role. This should be undertaken after it has been agreed on how Change Agents will be deployed on projects</p> <p>b. The Change Team should consider whether to introduce additional meetings for Change Agents as a cohort. The agenda for the meetings should include:</p> <ul style="list-style-type: none"> <li>• Best practice on promoting change across the organisation</li> <li>• Feedback from staff on the impact of change</li> <li>• Staff morale and potential concerns.</li> </ul> <p>c. Following the change in role of the Change Agents, they should be invited onto the relevant project boards or similar to raise any issues and feedback from across the organisation.</p> <p><u>Management Response</u> Agreed</p>	Helen Bishop	30 September 2023
<p><b>Finding 4 - Low</b></p> <p>The Benefits Tracker did not provide a clear breakdown of the efficiency savings by each workstream as a contribution towards the overall Fit for the Future Programme. Additionally, comments from the Change Board were not recorded on the Benefits Tracker</p>	<p>a. Financial savings and efficiency targets should be recorded for each project, where applicable, on the Benefits Tracker, showing the contribution of savings towards the workstreams and the Fit for the Future Programme. We would expect that for projects that have been developed to achieve financial savings, the following information would be reported to the Change Board:</p> <ul style="list-style-type: none"> <li>• Target Completion Date</li> <li>• RAG Status of each saving/efficiency to identify whether it is on target</li> <li>• Updates on the progress/implementation of the project</li> <li>• Financial efficiencies obtained from the project compared to the business case</li> <li>• Details of non-financial efficiencies from the project.</li> </ul>	Tim Martin	31 July 2023

		<p>The financial savings from each work stream should be calculated and reported to the Change Board to identify whether the workstreams are meeting the savings targets.</p> <p><u>Management Response</u> Agreed</p>		
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CONCLUSION

Overall, the Council have moderate controls in place for the management of its Change Programme.

The Council demonstrated good governance for the Fit for the Purpose Programme, with oversight routes for projects, workstreams and the overall programme. However, records of Change Board meetings, performance reporting and the overview of financial savings from projects could be formalised.

Additionally, while Change Agents have been recruited throughout the Council, Change Agents did not understand fully their roles and responsibilities and platforms were not in place to share best practice for promoting change in the Council. However, the Council has undertaken pulse surveys to assess the morale within the organisation. This leads us to conclude that control effectiveness was also Moderate.

# ENFORCEMENT RESTRUCTURE

## BAF REFERENCE: SUPPORTING THRIVING COMMUNITIES



SCOPE

### BACKGROUND

- ▶ Local authorities have responsibility for undertaking enforcement action in the public interest for areas such as: licensing, planning and environmental activities. These include issuing warnings, fines and formal notices or prosecution.
- ▶ Oxford City Council’s (the Council) Enforcement Policy from March 2019 sets out five principles towards its enforcement activity:
  - i. Proportionate - the Council’s core duty is to protect the public and safeguard children and vulnerable adults from harm. The enforcement activities will reflect the level of risk to the public and enforcement action taken will correspond to the seriousness of the offence.
  - ii. Accountable - the way the Council carries out enforcement activities will be open to public scrutiny, with clear and accessible policies, and fair and efficient complaints procedures. The Council will use enforcement activity to assist businesses and others in meeting their legal obligations without unnecessary expense and to support economic growth
  - iii. Consistent - the Council will enforce the law in a fair, equitable and consistent manner with a view to maintaining public support for the Council’s regulatory role.
  - iv. Transparent - the Council will ensure that their advice to those they regulate is clear and reliable to help them understand their legal obligations and the Council will seek to raise awareness about what is expected of them and the need to comply.
  - v. Targeted - the Council will seek to change the behaviour of the offender and eliminate any financial gain or benefit from non-compliance where practicable. The Council’s resources will be focussed on higher risk enterprises and activities, reflecting local need and national and corporate priorities.
- ▶ The Enforcement restructure, in 2019, involved combining two departments of Community Safety and Regulatory Services under one Head of Service, whose responsibilities increased from three teams to eight. Prior to 2014, Regulatory Services, Community Safety and Environmental Services were all in the same team, therefore, to create efficiencies within enforcement it was deemed appropriate to combine these departments.

### AREAS REVIEWED

- ▶ We reviewed the governance arrangements to assess whether there are clear and robust reporting channels. We reviewed the process to identify income generation and how successful this has been.
- ▶ We reviewed the overarching corporate level KPI and two service level KPIs for accuracy and reporting against source data.

- ▶ We interviewed the Head of Regulatory Services and Community Safety, and a Team Manager to establish whether efficiencies and process improvements have been identified with the restructure.




#### AREAS OF STRENGTH

- ▶ There is a Council Corporate Enforcement Policy 2019, which has Cabinet approval. This is scheduled for review at the June 2023 Cabinet meeting. In addition there is the Oxford Safer Communities Partnership rolling plan 2022-23, and a Regulatory Services & Community Safety Service Plan 2022-23, in place. These documents define the role and purpose of both Regulatory Services and Community Safety (RSCS).
- ▶ Information regarding these functions is also available to the public via the Council's website.
- ▶ The RSCS function reports into the Executive Director of People & Communications. The Head of RSCS meets with the Director monthly for Service team meetings, and receives appropriate support.
- ▶ There is not a separate plan regarding income generation, as it forms part of business as usual activities. Where there are objectives that are linked to savings or a significant opportunity there is visibility and monitoring at a Board level for example, for the financial year 2022-23 the Council have introduced the Selective Licensing initiative. In January 2023 the income was reported as £492K.
- ▶ Monthly meetings with Finance Business Partners are held, so the budget and RSCS income generation targets are monitored regularly.
- ▶ The RSCS values in 2022-23 have been demonstrated by:
  - Pooling & sharing of expertise that build capacity
  - Better joint working particularly around hand off points
  - Consistency of approach to enforcement
  - Problem solving using each other's powers for the best solution
  - Financial cross subsidy
  - Intelligence sharing has been facilitated; and
  - Increased size and focus has ensured regulatory activity is at the right tier of decision making so the service can be heard.
- ▶ Outcomes and efficiencies are monitored through the Service Area KPI's and targets for example; number of cases in the private rented sector where homelessness was prevented following intervention by the Tenancy Relations Officer; and Jobs contributing Improving Client Safety/Reduction in Likelihood of Falls. Please see finding 2 for more information.
- ▶ The restructure occurred in 2019, and appears to be working. However, we have raised an observation regarding an inconsistency in reporting structures. The Community Safety Service contains four teams who report into a Service Manager. However, the head count within the Regulatory Services is greater, and the Team Managers report directly to the Head of Service rather than a Service Manager.



#### AREAS OF CONCERN

Finding	Summary of Recommendations	Owner	Due Date
<p><b>Finding 1 - Low</b></p> <p>There is a corporate level KPI, regarding affordable housing documented in the Council’s Regulatory Services &amp; Community Safety Service Plan 2022-23. This is a complex KPI, where only one person has the understanding and instructions to complete the calculation, potentially creating a single source of failure risk. Mitigating actions against this risk should be taken; by sharing the local procedures and training another person to calculate the KPI.</p>	<p>a) The corporate KPI procedures should be updated to reflect the current target, then shared with relevant members of the team.</p> <p>b) Other team members should be trained to run the relevant reports and calculate the KPI.</p> <p><u>Management Response</u> Agree with the recommendation. The procedures will be updated and made available and three other officers will be trained so the KPI can be updated as required.</p>	Ian Wright	30 April 2023
<p><b>Finding 2 - Medium</b></p> <p>Team service level KPIs are monitored and reported via Smartsheet. The information includes a year-end target, actual and target for the reporting period in a RAG status. The information could be enhanced for decision making by including the year-to date figures. In addition reporting errors were identified in the December 2022 Smartsheet.</p>	<p>To assist informed operational decisions the Regulatory Services &amp; Community Safety service KPIs Smartsheet report should be verified to ensure that it holds the correct data. In addition including an ‘actual year to date’ column will establish how close the KPI is to achieving its annual target; which can then be monitored throughout the year.</p> <p><u>Management Response</u> Agree with the recommendation. The data issue will be raised at the next service management meeting and the monthly reviews will be used to check the data for each KPI. A request has been submitted to amend the Smartsheet as recommended.</p>	Ian Wright	30 April 2023



**CONCLUSION**

There is a good understanding of statutory duties and responsibilities in the Regulatory Services & Community Safety team. The Corporate Enforcement Policy recognises that its regulatory services play an important role in ensuring a level playing field for business, fairness for all and in particular, protection of the vulnerable. There is a dedicated Head of Regulatory Services & Community Safety who engages regularly with senior team members.

Whilst the restructure is working well, the reporting structures are inconsistent between Regulatory Services and Community Safety. In addition, there are several KPIs being monitored and we identified minor weaknesses around the process, accuracy and value of the information produced to enable informed operational decisions.

Therefore, we have concluded substantial assurance for control design and moderate assurance over operational effectiveness.

# HOUSING RENTS

## STRATEGIC REFERENCE: DELIVER MORE AFFORDABLE HOUSING



### SCOPE

#### BACKGROUND

The Housing and Homelessness Strategy 2018 - 21, was approved by Oxford City Council's (the Council) City Executive Board (CEB) and adopted in January 2018. The strategy sets out the Council's vision for housing and how the Council work in partnership to prevent and tackle homelessness and meet housing needs.

A mid-point review of the strategy and associated documents was carried out during 2019. As a result, the strategy Action Plan has been updated and refreshed to ensure that it is in line with the developments over the last year and sufficiently addresses future challenges.

As at January 2023, the Council managed 7832 houses, generating a total income in excess of £24 million from August 2022 to January 2023. The total arrears amounted to just over £1.93 million, out of which £1.55 million relate to current tenants and £380k to former tenants. The Council uses the QL - Areon Housing Management system to process and record rental transactions. The system holds all the information about the customer and is able to record payments to any rental account.

A number of significant issues arose from the QL implementation. As a result, the programme implementation is in a status of recovery. A review of the QL Housing System Programme Implementation has been undertaken by the Director of Housing in parallel with putting in place programme interventions to stabilise the programme and deal with immediate issues. The Council are heading towards a business-as-usual status with QL Areon and the Council have developed a series of planned actions, decisions, and recommendations to improve the progress of the project.

#### AREAS REVIEWED

The following areas were assessed as a part of this review:

- We reviewed a sample of housing rents received from 1 April 2022 to date and assessed whether rents were accurately collected from tenants and allocated to the correct rent account in a timely manner
- We reviewed a sample of refunds and write-offs and assessed whether there was adequate and appropriate documentation and authorisation for each transaction
- We reviewed whether reconciliations are undertaken between the Housing Management system and the financial system (Agresso), with timely action taken to address any issues identified
- We reviewed a sample of debts recovered from tenants and assessed whether there was a consistent approach to debt recovery with sufficient or appropriate actions undertaken to manage the debt in accordance with tenant's circumstances.
- We also reviewed whether the system access levels, and appropriate segregation of duties are in place to make amendments to residents' rent accounts and rent liabilities
- We assessed whether there is an adequate segregation of duties and supporting evidence when making amendments to the rentable value of a property



➤ We assessed the last three housing stock reconciliations undertaken to confirm the accuracy of data held and reviewed a sample of properties removed from the housing stock list to verify they are only removed by officers with appropriate level of authorisation.


 AREAS OF STRENGTH

- We assessed a sample of 15 Housing rent accounts and noted that 14 of the rent accounts corresponding payments were allocated to the correct rent accounts and where the accounts fell into arrears these were adequately managed in line with Council policy
- We noted there is a robust escalation procedure in place when a tenant falls into rent arrears
- Five write off cases reviewed had appropriate supporting documentation, adequate reasons for sign off, and appropriate authorisation in place
- There was a segregation of duties for all five write-off samples which were raised and authorised by various staff members with adequate authority
- Adequate processes were in place for adjustments such as issuing refunds which were evidenced by relevant reasoning and appropriate authorisation
- Properties were removed and added to the Housing Stock register in a timely manner
- Amendments to rent accounts were made where there were instances of refunds and write offs only. We noted there were appropriate system access levels, and appropriate segregation of duties in place to make amendments to residents’ rent accounts and rent liabilities.

 AREAS OF CONCERN

Finding	Summary of Recommendations	Owner	Due Date
<p>Finding 1 - Low</p> <p>There was no segregation of duties for the review and approval of clearing suspense accounts</p>	<p>There should be a segregation of duties between clearing the suspense account and its subsequent approval.</p> <p><u>Management Response</u> Agreed - We are aware of the risk and agree that an authorisation form will be in place to approve clearance of suspense accounts.</p>	Katie Ball	31 May 2023
<p>Finding 2 - Medium</p> <p>One tenancy account had a rent arrears value of £2729 however, due to an internal processing error the Council did not follow up on who was residing at the property post the death of the original tenant and subsequently failed to issue a contract to cover the dates for the above arrears. The arrears were subject to a write off.</p>	<p>The Council should ensure a robust policy is in place in cases of succession of tenancies, clear guidelines should be established on this including an inspection of the property should this fall in the above category.</p> <p><u>Management Response</u> Agreed - This recommendation sits with the Landlord Services, and they will update the policy to reflect such a case of succession.</p>	Bill Graves	31 July 2023
<p>Finding 3 - Low</p>	<p>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.</p>	Tracey Cheng	31 May 2023

	There was no evidence of approval for three Housing Stock Reconciliations.	<u>Management Response</u> Agreed - There will be a control in place to authorise the Housing Stock reconciliations, ensuring segregation of duties.		










CONCLUSION





Overall the Council has a sound system of controls to manage, process and collect housing rents from Council tenants. In addition, the Council has an adequate policy to manage rent arrears and collection of payments.



However, clarity is required on the succession of tenancy agreements where appropriate timeframes should be set to visit council properties on the death of a tenant, preventing write off of arrears. There should also be clarity on the segregation of duties for processes such as reconciliations and suspense account clearances.

We have therefore provided a Substantial Assurance on design and Moderate Assurance on its effectiveness.

## 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.	
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.	
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.	
Information is presented in the format requested by the customer.	No requests to change the BDO format.	
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 4.3 for audit satisfaction. We will continue to issue surveys for each audit as it is finalised.	
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).	
	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.	
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.	
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.	
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.	

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.	
At least 60% input from qualified staff	Audits undertaken in 2022/23 have been undertaken by qualified staff.	

## 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.

### CIPFA TO LEAD REVIEWS OF COUNCIL FINANCES

*The government has chosen CIPFA to look into select councils' finances and governance, to inform any intervention the government then decides to make.*

The institute, along with Grant Thornton and the Good Governance Institute, will carry out “targeted external assurance reviews”, aiming to present a comprehensive picture of the challenges, risks and issues local authorities are facing.

These will include the impact of rising inflation, economic uncertainty, increased service demand and the continuing effects of Covid-19.

The evidence gathered will inform any further actions the Department for Levelling Up, Housing and Communities believes are necessary.

“Local authorities are no exception [to the pressures facing the entire public sector] and are facing some tough challenges as they continue to deliver their essential services in very difficult circumstances,” said CIPFA chief executive Rob Whiteman.

“I’m really pleased that CIPFA has been chosen as the lead reviewer, which is a testament to our expertise around financial management in local government.

“As ever, we remain committed to the public sector, and I hope that these reviews will bring about positive outcomes for those involved.”

A CIPFA spokesperson confirmed the programme is separate from the **recently announced discussions** set to take place between the institute and Warrington Borough Council, and that the list of authorities involved has yet to be announced by DLUHC.

“The financial sustainability of many councils remains precarious, and local leaders are facing myriad challenges, including double-figure inflation, rising interest rates and growing demand for services,” said Phillip Woolley, partner and head of public sector consulting at Grant Thornton.

<https://www.publicfinance.co.uk/news/2023/02/cipfa-lead-reviews-council-finances>

### FOR INFORMATION

For the Audit Committee Members and Executive Directors



## SOCIAL HOUSING PROBE LAUNCHED

*MPs have opened an investigation into the financial pressures facing English social housing providers amid concerns over a crisis in the sector.*

The Levelling Up, Housing and Communities Committee's inquiry will assess the financial health of providers, the impact of inflation on spending and the ability to meet government demands on housing numbers and home standards. Housing providers have been under the microscope in the past year over the poor condition of properties, including mould and leaks that have led to high-profile deaths and declining living standards.

Committee chair Clive Betts said: "The social housing sector is in crisis.

"The reality is that social landlords face a range of significant financial pressures, not least the urgent need to invest in improving homes, so they are not blighted by mould, damp, and leaks.

"The sector must also meet the pressing demands to build thousands of new homes for social rent, decarbonise the housing stock, and fix building safety defects.

"In the committee's inquiry, we want to understand the extent of these demands, the impact on the financial resilience of the social housing sector, and the support and resources needed to meet these challenges and ensure we have the supply of good quality social homes we need for the future."

MPs will also question whether the Regulator of Social Housing has the necessary resources and skills to effectively regulate an increasingly complex sector.

In December, the government announced that social housing providers' rent rises will be capped at 7% instead of by inflation in 2023-24, to help shield tenants from the cost-of-living crisis.

Council leaders warned the cap could cost local authorities more than £3bn over five years, and restrict investment in regeneration and the transition to net zero.

<https://www.publicfinance.co.uk/news/2023/03/social-housing-probe-launched>

### 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

### COMMISSIONERS QUESTION VIABILITY OF UNITARY COUNCIL

*A “fundamental shift” in culture at slough borough council is needed to avoid it being broken up, the government has warned after reading a report from the team trying to turn the organisation around.*

Commissioners sent into the authority in December 2021 said in their second report that progress has been “very slow”, and that the authority has only just recognised the scale of the task at hand.

They said that while the authority recognises that openness, transparency and honesty are critical to reforms, it is failing to regularly uphold these values in its actions.

“As a consequence, SBC is many months behind where it should be by now,” the commissioners said.

“SBC needs to recognise that driving through the required culture change which ensures openness, transparency, honesty, and effective delivery is the starting point for recovery and that this thread needs to run through every element of every action plan.

“Too often it is possible to point to events that demonstrate that this is not so.”

The commissioners said the slow progress calls into question whether the authority can function as a unitary.

“At this stage, it is impossible for commissioners to conclude that SBC will be a viable unitary authority at the end of the current or a potentially extended direction period,” the report said.

“Commissioners and ministers will need to consider alternative scenarios.”

Local government minister Lee Rowley confirmed that two of the three commissioners - Max Caller and Margaret Lee - have resigned, citing retirement and personal reasons respectively.

<https://www.publicfinance.co.uk/news/2023/03/commissioners-question-viability-unitary-council>

#### FOR INFORMATION

Audit Committee, Executive Directors, and Non-Executive Directors

### BUDGET 2023: LOCAL GOVERNMENT RESPONDS

*A round-up of sector reaction to jeremy hunt's first budget. it contained some good news, but perhaps too little.*

#### CIPFA

Chief executive Rob Whiteman said the Budget generally “just tinkered around the edges”, and that Hunt might have kept some policies back until next year, closer to the coming general election.

But there were reasons for some optimism at least, such as multiyear settlements for combined authorities, which he said “will allow them to plan with greater certainty”.

“We would like to see this rolled out to all local authorities, bringing the short-term begging culture to an end once and for all,” said Whiteman.

Investment zones also showed that levelling up as a policy “has life in it yet”, he added, but they are not guaranteed to solve regional inequalities.

“If the intention is to lift economic growth and productivity, a clearer plan to connect these strategies with those areas outside the funded zones will be needed,” Whiteman warned.

“We also need a strong evaluation framework to ensure money is being spent effectively and outcomes are successful.”

*Read more from CIPFA in response to Wednesday's announcements: **The Budget won't fix public services, by Joanne Pitt***

#### Local Government Association

James Jamieson, chairman of the LGA, said he was pleased with announcements such as £200m for potholes, £63m to support leisure centres with swimming pools and lower borrowing rates from the Public Works Loan Board for social housing projects.

Support early years education and childcare was also pleasing, he said, but given Hunt's focus on getting people back to work it was “disappointing” he did not provide any new investment in adult social care, public health or children's services, which all “play a vital role in supporting economic growth and helping people back into work”.

He called for more emphasis on local decision-making, including over levelling up funding and skills, as well as agreeing with Whiteman that the government should take a similar approach to all local government as its approach to the combined authorities.

“We want to work with the government on a long-term funding plan that ensures councils have adequate resources to deliver local services for our communities,” said Jamieson.

“Alongside sustainable long-term investment in local services, bringing power and resources closer to people is also key to improving lives and building inclusive growth across the country, and many more places are ambitious to follow in the footsteps of the devolution trailblazers which are a positive step towards more local decision-making.”

**SIGOMA**

By ignoring public sector pay and leaving detail on funding for services light, the chancellor will have forced councils into an even trickier position than they currently face, said Sir Stephen Houghton, chair of the Special Interest Group of Municipal Authorities.

Welcome funding for regeneration projects and a more focused investment zone policy than before will help support regional development, he said.

“However, with nothing on public sector pay or new money for public services after 2024, councils will face a challenging period with many forced into further savings and cutbacks,” Houghton warned.

“The piecemeal investments announced by the chancellor are at risk of counting for little if they are not delivered alongside proper investment in local public services, while moves to further roll-out the discredited system of business rates retention will widen the growing gap between the poorest and wealthiest areas.”

<https://www.publicfinance.co.uk/news/2023/03/budget-2023-local-government-responds>





**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
 <b>Substantial</b>	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.	
 <b>Moderate</b>	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.	
 <b>Limited</b>	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.	
 <b>No</b>	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	
 <b>High</b>	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.
 <b>Medium</b>	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.
 <b>Low</b>	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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**INTERNAL AUDIT FOLLOW UP  
OF RECOMMENDATIONS REPORT**

43 OXFORD CITY COUNCIL

2022/2023

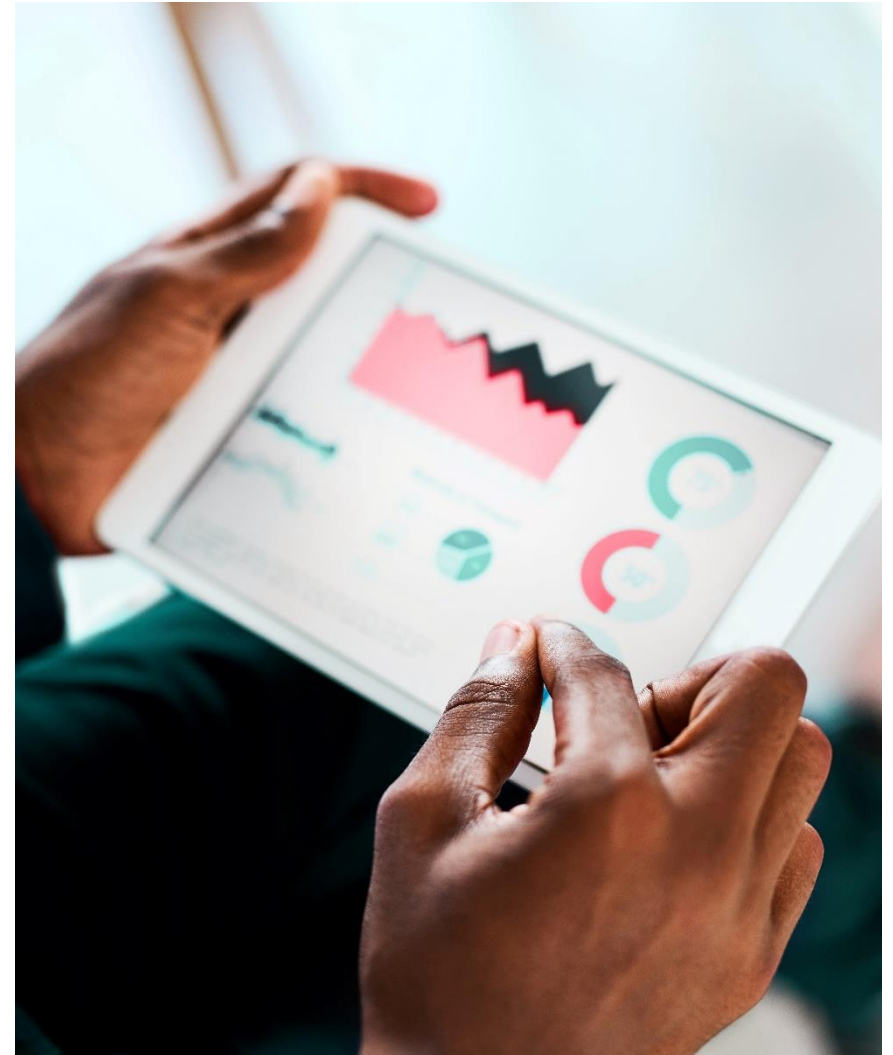
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**IBDO**

Agenda Item 8

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# SUMMARY

2022/2023	Total Recs	H	M	L	To follow up	Complete		In Progress		Overdue		Moved to Low		Previously Completed/Not Due	
						H	M	H	M	H	M	H	M	H	M
Private Rented Sector	21	17	4	-	2	-	1	-	-	-	1	-	-	17	2
Project Management	11	-	11	-	8	-	2	-	-	-	6	-	-	-	3
Environment	37	10	23	4	29	6	4	1	17	-	-	1	-	1	3
<b>Total</b>	<b>69</b>	<b>27</b>	<b>38</b>	<b>4</b>	<b>39</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>17</b>	<b>-</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>18</b>	<b>8</b>

45

2022/20233	Total Recs	H	M	L	To follow up	Complete		In Progress		Overdue		Moved to Low		Previously Completed/Not Due	
						H	M	H	M	H	M	H	M	H	M
Sickness & Absence Management	8	-	7	1	5	-	5	-	-	-	-	-	-	-	2
NNDR & Business Rates Pooling	4	-	3	1	3	-	3	-	-	-	-	-	-	-	-
Income Generation	16	9	5	2	14	6	5	3	-	-	-	-	-	-	-
<b>Total</b>	<b>28</b>	<b>9</b>	<b>15</b>	<b>4</b>	<b>22</b>	<b>6</b>	<b>13</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>

# SUMMARY

## 2021/2022

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2022/2023.

- ▶ Seven recommendations are overdue (one for Private Rented Sector and two for Project Management) but in all instances there has been considerable work undertaken to implement the recommendations
- ▶ We followed up on 29 recommendations for the Environment audit, of which five High and five Medium recommendations had been implemented. There had been progress in the implementation of the remaining recommendations, although, 17 recommendations were given a revised due date.

## 2022/2023

46 Please find below a summary of the status of implementation of recommendations arising from reports issued in 2022/2023.

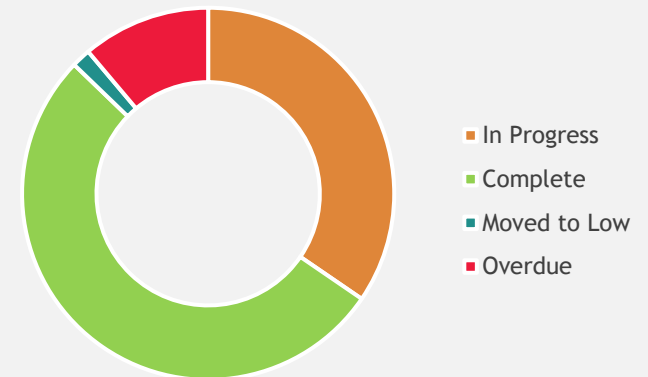
- ▶ All eight Medium recommendations for Sickness & Absence Management and NNDR & Business Rates Pooling reviews have been implemented
- ▶ 11 of the 14 recommendations for the Income Generation review have been implemented. There were three High findings that have not been implemented, partly due to the implementation of a new Asset Management system being delayed.

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 recommendations.

### Implementation of Recommendations








## RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22. Private Rented Sector	Landlord payments reports should be extracted via the relevant systems (Agresso or QL) and checked quarterly to ensure they are in line with the payments outlined on the tenancy agreement	MEDIUM 	James Pickering (Welfare Reform Manager)	<del>30/06/2022</del> 31/12/2022	<p><b>Management Comments:</b> All Payments (Not just Landlord payments) will be checked and cross referenced against Agresso going forward. Permissions (Read only) along with training for all Staff &amp; management within PRS function will be received and recorded. This will also be included in any induction training for new staff. This will enable regular reports to be run through agresso which can then be used as a cross reference for audit compliance and assurance of payment accuracy. We continue with 10% tenancy and management checks.</p> <p><b>Internal Audit Comments:</b> The PRS Team have implemented training and access to the Agresso system which will allow cross checks to be undertaken between it and QL to confirm accuracy of payments.</p>
2021/22. Project Management	To routinely send closure reports to the development board. The development board should review whether project objectives were successfully met and or lessons learned can be drawn for wider learning	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> 31/03/2023	<p><b>Management Comments:</b> Closure reports for major projects are now enforced and routinely come to Development Board. Some discretion around whether closure forms for smaller projects need to go to Development Board will be exercised by the PMO.</p> <p><b>Internal Audit Comments:</b> We reviewed two of the project closure reports and confirmed that these were presented to the Development Board to support wider learning of lessons.</p>
2021/22. Project Management	All Project Boards (including programmes of work2) should adopt the Council's prescribed risk register as part of their risk monitoring process to achieve a uniform approach. Projects that represent a programme of work should include key risks on the risk register. The risk register is to be updated at the end of each month and significant risk areas should be discussed at Project Boards meetings. The information from the risk register should subsequently feed into the Smartsheets which are completed at beginning of the following month.	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> 31/03/2023	<p><b>Management Comments:</b> Corporate Risk Register template adopted as standard for all projects. All project managers were advised of this approach in April 2022, and the corporate template is being used for the majority of projects. Key risks and mitigations are being recorded in Smart sheets for the majority of projects, but it is accepted that some ICT projects and rolling repair programmes have different on-going governance requirements.</p> <p><b>Internal Audit Comments:</b> We reviewed the Corporate Risk Register template and the communications with project managers and noted that the requirements to maintain project risk registers has been implemented.</p>

2021/22. Environment	Discussions between heads of service and ES should include an effort to streamline the actions of the NZOAP and CMP into a master action plan document. This should be reviewed alongside AQAP actions and the new Asset Management Strategy action plans to avoid duplication of, or contradictory, efforts.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> Discussions have been held between Heads of Service to streamline the NZOAP and the CMP into a single masterplan document.  <b>Internal Audit Comments:</b> We confirmed that discussions had been held to streamline the documents into a masterplan.
2021/22. Environment	The SG should define its place within corporate governance structure of the Council as a whole, particularly in relation to the Development Board, Housing Supply Programme Board, ODG and corporate management team (CMT)	HIGH 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> The TOR for the SG identifies its role within the Council's overarching governance structure and with other Boards.  <b>Internal Audit Comments:</b> We reviewed the TOR for the SG and confirmed that it referenced the role of the SG in corporate governance structures.
2021/22. Environment	To progress Council-wide actions, the Council should either: i) Expand membership of the group to Executive Directors and relevant Members. The Council may wish to take a hybrid approach whereby the Executive Directors/CEO/Members attend biannually rather than every quarter ii) If a Climate Review Group with councillor involvement is established instead, the ToR for each should provide clarity on the role and expectations on each group.	HIGH 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> The Steering Group TOR clarifies on the memberships and the interaction with the management and councillors.  <b>Internal Audit Comments:</b> We reviewed the Steering Group TOR and noted that it clarifies its membership and interaction with management and Councillors.
2021/22. Environment	The SG should be formally minuted, and an action log created to record actions arising from meetings	HIGH 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> This recommendation has been implemented and the SG is formally minuted.  <b>Internal Audit Comments:</b> The Steering Group meetings are formally minuted to monitor actions arising from meetings.
2021/22. Environment	The SG should invite heads of service to share their service plans to the group annually, so that it can be sighted on the overarching activities of the Council	HIGH 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> SG will receive annual reports (in April each year) highlighting relevant elements of the Business Plan and Service Plans that support Net Zero.  <b>Internal Audit Comments:</b> We confirmed that an Annual Report would be introduced to identify the activities across Business and Service Plans to contribute to net zero targets.
2021/22. Environment	The ToR should be updated to reflect any changes the purpose of both the SG and the new	HIGH 	Mish Tullar (Head of	31/12/2022	<b>Management Comments:</b> The SG TOR has been updated to reflect the purpose, roles and responsibilities of the group.











	group, including roles and responsibilities are made clear.		Corporate Strategy)		<i>Internal Audit Comments:</i> We reviewed the Steering Group TOR and noted that this information has been included.
2021/22. Environment	Work is under way to provide more support from the Environmental Sustainability team to officers to make early assessments of the likely impact of proposed projects on the Council's carbon and biodiversity objectives. However, this would not be a detailed environmental impact assessment - as that would be overly costly and resource intensive.	MEDIUM 	Mish Tullar (Head of Corporate Strategy) (supported by Head of Law & Governance and the Executive Director of Development)	31/12/2022	<b>Management Comments:</b> Representatives from Environment Sustainability sit on the Asset Review Group and Development Review Board. <i>Internal Audit Comments:</i> Representatives for the Environmental Sustainability now attend Asset Review Group and Development Group to ensure they are part of early assessments on the environmental impacts of proposed projects.
2021/22. Environment	Biodiversity should be a standing agenda item at the Decarbonisation SG and a senior representative from the green and blue development team should attend the meetings.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<b>Management Comments:</b> Biodiversity has been added as a standing agenda item at the SG. <i>Internal Audit Comments:</i> It was confirmed that biodiversity is a standing agenda item at the Steering Group.
2021/22. Environment	Lessons learnt from the wave 1 SHDF application rejection should be incorporated into the wave 2 bid. Consideration should be given to increase support in relation to tenant engagement to progress these projects.	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Lessons learnt from the wave 1 SHDF application has been incorporated into the wave 2 bid. Steps to increase support Tenant engagements has been considered. <i>Internal Audit Comments:</i> It was confirmed that the recommendation had been completed and that lessons learnt from the 1SHDF application had been formally incorporated into the 2nd bid.
2021/22. Environment	It should be decided by the Head of Finance whether the SG should have a formal role in reviewing options and making recommendations in relation to the spending of the Net Zero Transition Fund. If so, the SG should develop a prioritisation method for deciding how to spend these funds	HIGH 	Nigel Kennedy (Head of Financial Services)	<del>28/02/2023</del> 30/05/2023	<b>Management Comments:</b> This has been incorporated into the terms of reference for the NZTF and the NZSG. <i>Internal Audit Comments:</i> We reviewed the terms of reference and noted that this was included within.
2022/23. Sickness & Absence Management	The 'Management Guidance - Attendance Management' document should be updated to specify a precise timeframe for when return-to-work' interviews should be completed. For example, 'on the day of the employee's return' or 'before commencing any duties'	MEDIUM 	Justin Thorne (People Services Delivery Manager) Simon Edginton (Operational	31/01/2023	<b>Management Comments:</b> The Guide has been updated to specify the information in the recommendation. <i>Internal Audit Comments:</i> We reviewed the updating Attendance Management - Managers Guide and noted that point 1.2 specifies that the return to work interview should be on the day of the employee's return.






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 Manager (HR & Payroll))
 

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2022/23. Sickness & Absence Management	The People Team should email all line managers to remind them of the expectation that return-to-work interviews are completed after each sickness absence episode on the day that the employee returns, and that records of the discussion should be held on iTrent	MEDIUM 	Justin Thorne (People Services Delivery Manager) Simon Edginton (Operational Manager (HR & Payroll))	31/01/2023	<b>Management Comments:</b> Line managers were emailed to remind them of expectations for completing and recording return to work interviews.  <b>Internal Audit Comments:</b> We reviewed the email correspondence from the People Team to all line managers to inform them that the return-to-work interview must be conducted on the employee's first day back from absence. A link to the Return-to-Work Guidance document was circulated within this email.
2022/23. Sickness & Absence Management	The People Team or the HR Team should ascertain whether they are able to extract data from iTrent on the completion of return-to-work interviews for closed absences. This data should be reported for each department to the Head of Service	MEDIUM 	Justin Thorne (People Services Delivery Manager) Simon Edginton (Operational Manager (HR & Payroll))	31/01/2023	<b>Management Comments:</b> The People Team have investigated whether it can extract this data from iTrent but are unable to do so.  <b>Internal Audit Comments:</b> We were informed that the People Team have investigated whether the required data from iTrent but the system does not have the ability to extract it.
2022/23. Sickness & Absence Management	All line managers should be sent a reminder email by the People Team that medical notes should be provided for any absence over seven working days, covering the entire period of absence and these should be attached to iTrent	MEDIUM 	Justin Thorne (People Services Delivery Manager)	31/01/2023	<b>Management Comments:</b> Line managers were emailed to remind them that medical notes should be provided for all sickness absences over seven working days.  <b>Internal Audit Comments:</b> We reviewed the email correspondence from the People Team to all line managers to inform them that fit notes should be provided and attached to iTrent for absences over seven working days. A link to the Fit Notes Guidance document was circulated within this email.
2022/23. Sickness & Absence Management	The Management Guidance - Attendance Management document should be sent to all line managers by the Head of People highlighting the responsibilities of line managers, particularly around entering sickness absence information into iTrent. Other issues identified in Finding 1 and 2 could also be addressed through this communication and information on line managers not complying with this guidance should be escalated to heads of department.	MEDIUM 	Justin Thorne (People Services Delivery Manager)	31/01/2023	<b>Management Comments:</b> The People Team emailed all line managers a copy of the Attendance Management Guide emphasising the importance of complying with the recording of sickness absence information on iTrent.  <b>Internal Audit Comments:</b> We reviewed the email correspondence from the People Team to all line managers and confirmed that the recommendation had been completed.





2022/23. NNDR & Business Rates Pooling	The Revenues team should be reminded by the Senior Revenues Officer in a minuted discussion or via email to ensure that the charity number is recorded on the occupier's diary note on Civica for those receiving charity relief. For the next quarter, the Senior Revenues Officer should review a sample of occupiers receiving charity relief to assess whether compliance has improved	MEDIUM 	Phil McGaskill (Revenues Manager)	31/01/2023	<b>Management Comments:</b> 100% of high-risk account reviewed - of 40 high risk cases reviewed - 30 passed review. 5 cases are having their liable party reviewed and another 5 are being asked to prove their charitable status. 25% of medium risk cases are being spot checked annually and 10% of low-risk cases are being spot checked annually.  <i>Internal Audit Comments:</i> We reviewed the Checking List document and confirmed that all high risk cases had been reviewed and that further action had been taken on the 10 cases that did not pass the review.
2022/23. NNDR & Business Rates Pooling	The Revenues team should consider whether it would be appropriate for the Senior Revenues Officer to check all new applications for charitable relief discounts to assess whether the occupier is eligible. Alternatively, if this is considered too time-consuming due to the volume of discounts, guidance and training should be prepared for the Revenues team to outline eligibility criteria for charity relief.	MEDIUM 	Phil McGaskill (Revenues Manager)	31/01/2023	<b>Management Comments:</b> The Senior Revenues Officer is currently reviewing all charitable relief cases - further guidance and in-person training is due to commence in April 2023.  <i>Internal Audit Comments:</i> This recommendation has been completed as the Senior Revenues Officer is reviewing all charitable relief cases until in-person training has been rolled out to staff.
2022/23. NNDR & Business Rates Pooling	The Revenue team's procedure notes should be updated with screenshots and instructions on how to complete the processes on Civica. These should be saved in a central folder to ensure they are accessible to staff.	MEDIUM 	Phil McGaskill (Revenues Manager)	31/01/2023	<b>Management Comments:</b> The Charitable Relief Procedure Notes have been for the Civica system.  <i>Internal Audit Comments:</i> We reviewed the Charitable Relief Procedure Notes and confirmed that these had been updated for the Civica system.
2022/23. Income Generation	A spreadsheet/database should be set up between the Property & Asset Management team and the Income team with the following details: <ul style="list-style-type: none"> <li>• The surveyor completing the change note should record the date that it was sent to the Property Information Officer</li> <li>• The Property Information Officer should record the date that the change note was issued to the Income team</li> <li>• The Income Officer should record the date that the change note was received and actioned, emailing the Property Information Officer when it has been actioned</li> </ul>	HIGH 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	01/11/2022	<b>Management Comments:</b> The spreadsheet database has been implemented and is being used by the Property & Asset Management Team and the Income Team to record actions required  <i>Internal Audit Comments:</i> We reviewed the Change Note Tracker which records any change notes received, with the dates and officer it was sent to and the date that it had been actioned. We confirmed that this was being actively used by both teams. A full reconciliation of commercial properties has been undertaken to check that tenants are being billed correctly.






	<ul style="list-style-type: none"> <li>Once the email has been received, the surveyor should review the rent/billing details in Agresso and confirm that these align to the change in rent/new tenant, etc.</li> </ul>				
2022/23. Income Generation	At the monthly meetings between the Property & Asset Management team and the Income team, the spreadsheet/database should be reviewed to prompt action on any change notes that have not been actioned or where the surveyor has not confirmed that they have checked Agresso	HIGH 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	15/10/2022	<p><b>Management Comments:</b> The Change Note Tracker is in place and is being reviewed monthly.</p> <p><i>Internal Audit Comments:</i> The Change Note Tracker is reviewed at the monthly meeting to support any actions being addressed.</p>
2022/23. Income Generation	Clear processes should be established where a debt hits a certain threshold for the relevant surveyor to be contacted to support the development of a payment plan, using wording that protects the Council's position over the recovery of the debt. This should be implemented when the arrears reach £25k	HIGH 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	01/11/2022	<p><b>Management Comments:</b> Financial threshold is not agreed. Instead, the Incomes Team will flag to the Property &amp; Asset Management Team any debtor which has not responded to an L7.</p> <p><i>Internal Audit Comments:</i> We reviewed an instance where the L7 non-response had been escalated to the Property &amp; Asset Management Team to confirm this control had been implemented.</p>
2022/23. Income Generation	The Property & Asset Management team should maintain a log of all queries received from the Income team. These queries should be allocated to the relevant Team Leader who should record the date they responded to the query and whether it has been cleared	HIGH 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	01/12/2022	<p><b>Management Comments:</b> The Queries Log has been implemented to record and monitor queries raised by either team.</p> <p><i>Internal Audit Comments:</i> We reviewed the Queries Log and identified that the officer actions are allocated to and the date of completion are recorded.</p>
2022/23. Income Generation	The Corporate Asset Manager should review the log weekly to identify whether there are any overdue queries that have not been responded to. They should follow up with the officer that the query has been allocated to each week to obtain an explanation for the non-response. At a minimum, the Property & Asset Management team should send a holding response to the Income team to acknowledge the query and provide an indication of when a response will be provided	HIGH 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	01/12/2022	<p><b>Management Comments:</b> Checks of outstanding queries on the Queries Log is in place.</p> <p><i>Internal Audit Comments:</i> We noted that the Queries Log had been kept up-to-date and it was recorded when actions had been completed, indicating that there had been sufficient follow up and checks on the progress of actions.</p>
2022/23.	The Corporate Asset Manager and the Income Team Leader should have a minuted discussion on how the Income team can be better utilised	HIGH 	Chris Wood (Corporate Asset Manager)	09/03/2023	<p><b>Management Comments:</b> The discussion was scheduled for 09/03/2023 following the training session between the two teams.</p>

Income Generation	in debt recovery for commercial property tenants. The Income team have resources available to support the debt recovery process, and recover debts across other services in the Council, so could be better used to reduce the level of arrears	MEDIUM	Neil Markham (Income Team Leader)		<b>Internal Audit Comments:</b> We reviewed the email correspondence between the two teams that followed the training session and confirmed that discussions were held for identifying how the Income team can be better utilised in the debt recovery process. Process changes have been introduced to improve communication between the teams when tenants do not make payments of bills.	
2022/23. Income Generation	The Property & Asset Management team should set rent review reminders into Uniform for stepped increases in rent so that, when the rent review report is run this will identify all tenancies where the rent should be increased. The Property & Asset Management team should then contact the Income team to remind them to implement the stepped rent increase in the billing.		Emma Gubbins (Corporate Asset Lead)	01/01/2023	<b>Management Comments:</b> Uniform does not easily accommodate this type of report accurately on the data. It is intended that the new system once procured will have this functionality. All stepped rents for the financial year have been identified and actioned. Incomes are also keeping any Change Note with a stepped rent in a separate file which they check regularly. <b>Internal Audit Comments:</b> We conformed that the stepped rent increases had been applied for the current financial year.	
53	2022/23. Income Generation	A central database should be collated between the Property & Asset Management team and the Income team to reconcile each property UPRN to the Agresso Property ID. The Property & Asset Management team should refer to this database when completing a Change Note to ensure the Agresso Property ID is quoted on the document. Any future properties added to the Council's portfolio should be included on the spreadsheet with the UPRN and Agresso Property ID	MEDIUM 	Chris Wood (Corporate Asset Manager) Neil Markham (Income Team Leader)	01/03/2023	<b>Management Comments:</b> This has been implemented and is being utilised by both teams. The UPRN is taken from the reconciliation sheet. <b>Internal Audit Comments:</b> We reviewed the log that is shared between the teams and confirmed that this recommendation had been implemented.
2022/23. Income Generation	The Income team should hold a training session for all officers in the Property & Asset Management team to outline the expectations and requirements for the completion of change notes. This training session should be recorded so that any new officers joining the team can refer to it at a later date	MEDIUM 	Chris Wood (Corporate Asset Manager)	31/12/2023	<b>Management Comments:</b> This training session was undertaken on 08/03/23 but there were issues with the video recording. The guidance note has been issued and any new starters will be inducted on the process. <b>Internal Audit Comments:</b> We reviewed email correspondence summarising the session and a copy of the guidance note that has been prepared and confirmed this has been implemented.	
2022/23. Income Generation	The Income team should create a Change Note guidance document to share with the Property & Asset Management team. This should signpost what information should be completed in each section and where the data can be obtained	MEDIUM 	Chris Wood (Corporate Asset Manager)	31/12/2023	<b>Management Comments:</b> The Change Note Guidance has been developed in line with the training session.	

	from. For example, the Agresso Property ID will be available from the central database of commercial properties (see Recommendation 3b)				<i>Internal Audit Comments: We reviewed the Change Note Guidance and noted that this adequately supported clarity on how to complete the form.</i>
<b>2022/23. Income Generation</b>	Following the training session, the Income team should monitor the quality of completion of change notes and report back to the Corporate Asset Manager and the Senior Estates Surveyor at the monthly meeting, identifying areas that are completed poorly or not at all.	MEDIUM 	Chris Wood (Corporate Asset Manager)	15/10/2022	<b>Management Comments:</b> The effectiveness of the processes following the training session are being monitored on an ongoing basis and will continue to be monitored going forward.  <i>Internal Audit Comments: We confirmed that there is ongoing monitoring of the process through the Change Note Tracker and Queries Log, and through monthly meetings between the teams.</i>





## RECOMMENDATIONS: IN PROGRESS







AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22. Environment	Progress to document further costing detail for the CMP should be made It would be useful to compile these into one document to try and get an overview of what the realistic costs (money and time), and future benefits of each of the actions are. From our benchmarking we noted that the City of Edinburgh Council has taken a useful approach that the Council may wish to emulate. It codes its actions (resource secured; costs known; costs unknown) and includes a full list of potential funding streams. It also indicates the level of staff time as a resource.	MEDIUM 	Nigel Kennedy (Head of Financial Services) with support from Environment Sustainability and Corporate Property	<del>28/02/2023</del> 30/09/2023	<b>Management Comments:</b> Additional time is required to provide updated costings to the CMP. Staff vacancies in the Environmental Sustainability Team have caused the delay in implementing this to be longer than anticipated  <i>Internal Audit Comments: We will follow up on this recommendation for the next Audit Committee</i>
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)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Significant progress has been made with a newly developed master plan of actions and reconstituted Steering Group. We will build on this as a next step.  <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee</i>
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)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Significant progress has been made. This will be strengthened at NZSG meetings with further work needed on assigning action owners.  <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i>
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)	<del>28/02/2023</del> 30/06/2023	<b>Management Comments:</b> A log is being developed for all external funding for net zero activities. This action is in progress.  <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i>
2021/22.	The SG should receive regular finance reports covering a high level overview of Council	HIGH	Nigel Kennedy (Head of	<del>28/02/2023</del>	<b>Management Comments:</b> The timing of the implementation of this action is dependent on the SG developing a log of all related



Environment	budget commitments to CMP actions, related external funding received and current bids for external funding, and the Net Zero Transition Fund		Financial Services)	30/09/2023	external funding received and applied for in relation to net zero carbon activities. An overview of budget commitments are provided to the NZSG, but full costings of CMP actions are not known and a funding log has not been produced. <i>Internal Audit Comments: We will follow up on this recommendation for the next Audit Committee</i>
2021/22 Environment	The net zero target date should be consistently and clearly articulated in all corporate documents.		Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023	<b>Management Comments:</b> This is in progress and documents are being updated accordingly. <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i>
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.		Mish Tullar (Head of Corporate Strategy)	31/12/2022 30/06/2023	<b>Management Comments:</b> This is in progress. The Steering Group will review in May to assess progress. <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i>
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.		Tom Bridgman (Executive Director of Development)	31/12/2022 30/06/2023	<b>Management Comments:</b> Action in progress to explicitly identify whether proposals comply with the Council's policies and commitments relating to carbon and the environment at all stages of the project process (Project Idea / Project Initiation / Business Case). There will be a requirement for project proposals to highlight the net impact towards reaching zero carbon emissions by 2030. Associated guidance will be built into the project documentation from the outset to support project managers. This approach will make all governance and decision making groups and Boards aware of the environmental impact of project related decisions. <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</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		Tom Bridgman (Executive Director of Development)	31/12/2022 30/06/2023	<b>Management Comments:</b> In addition to actions identified above in 4.1, work is in progress to update project forms to incorporate the suggested check box approach in order to confirm compliance with related policy and commitments. <i>Internal Audit Comments: We will continue to follow up on this recommendation for the next Audit Committee.</i>

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	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.				
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 	Tom Bridgman (Executive Director of Development)	<del>28/02/2023</del> 30/06/2023	<b>Management Comments:</b> The prioritisation process for capital projects is currently being reviewed better reflect a balance across corporate priorities, with the gateway process being updated to monitor from an early stage whether projects are on track to meet required standards around environmental impacts.  <i>Internal Audit Comments:</i> We will continue to follow up on this recommendation for the next Audit Committee.
57 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)	<del>30/12/2022</del> 30/04/2023	<b>Management Comments:</b> Updates to Project Idea template, Project Initiation Document undertaken. Re-working of the guidance for cabinet report authors is underway and a new version being created for business case authors.  <i>Internal Audit Comments:</i> We will continue to follow up on this recommendation for the next Audit Committee.
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 	Helen Bishop (Head of Business Improvement)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Procurement of the new system has been completed. Awaiting final approval from Law & Governance to award the contract.  <i>Internal Audit Comments:</i> We will continue to follow up on this recommendation for the next Audit Committee.
2021/22. Environment	The Head of Environmental Quality Team is provided with the necessary resources to help her continue the work she has started in mapping out the Council's land and biodiversity space and options	MEDIUM 	Nigel Kennedy (Head of Financial Services) (supported by Head of Corporate Strategy and	<del>28/02/2023</del> 30/09/2023	<b>Management Comments:</b> This recommendation is In progress and a biodiversity strategy is being developed which will consider options for Council land.  <i>Internal Audit Comments:</i> We will continue to follow up on this recommendation for the next Audit Committee.



			Head of Corporate Property)		
2021/22. Environment	The Council should continue to prioritise implementing up to date asset management systems	MEDIUM 	Mish Tullar (Head of Corporate Strategy)	<del>31/12/2022</del> 31/12/2023	<b>Management Comments:</b> Dependent on Agresso upgrade due in October. Project is just starting. <b>Internal Audit Comments:</b> We will continue to follow up on this recommendation for the next Audit Committee.
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)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Carbon literacy training is being developed. <b>Internal Audit Comments:</b> 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)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Discussions are ongoing around recruitment to roles in the ES Team and ensuring that there is clarity of roles. <b>Internal Audit Comments:</b> We will continue to follow up on this recommendation for the next Audit Committee.
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)	<del>31/12/2022</del> 30/06/2023	<b>Management Comments:</b> Discussions are ongoing around developing more resilience in the team and limiting reliance on specific staff members. <b>Internal Audit Comments:</b> We will continue to follow up on this recommendation for the next Audit Committee.
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 	Nerys Parry (Head of Housing)	<del>31/12/2022</del> 30/05/2023	<b>Management Comments:</b> The current Head of Housing was not in post when the report was finalised and was not aware of this recommendation. Therefore, it will be included in their workplan going forward. <b>Internal Audit Comments:</b> We will follow up on this recommendation again for the next Audit Committee.
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	HIGH 	Emma Gubbins (Corporate Asset Lead) Neil Markham	01/11/2022 31/03/2023	<b>Management Comments:</b> All charges being raised by Agresso are now correct. Pulling the information from Uniform is still proving challenging, so a manual pull of the information has been

	charged/billed correctly for all commercial properties.		(Income Team Leader)		undertaken and a check is underway to confirm all of the charges are within Agresso. <i>Internal Audit Comments: We will continue to follow this recommendation up as it falls due.</i>
2022/23. Income Generation	We understand that the Council are considering procuring a new asset management system therefore, it should be investigated whether a new system could interface directly with Agresso to reconcile the rent billed to tenants with the property management database.	HIGH 	Emma Gubbins (Corporate Asset Lead) Malcolm Peek (Property Services Manager)	<del>01/01/2023</del> 31/03/2024	<b>Management Comments:</b> This project has been paused until a cloud based Agresso has been procured, it is likely the tender for the Asset Management System will not be progressed for 6-12 months. <i>Internal Audit Comments: We will continue to follow this recommendation up as it falls due.</i>
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 should be reconciled is: <ul style="list-style-type: none"><li>• Pre-VAT annualised rent charge to the tenant</li><li>• Periodic (ie monthly, quarterly, half-yearly or annually) bill charged to the tenant depending on the lease agreement</li><li>• Frequency of billing per Agresso and Uniform</li><li>• Tenant/customer for each property.</li></ul> 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.	HIGH 	Emma Gubbins (Corporate Asset Lead) Neil Markham (Income Team Leader)	<del>01/11/2022</del> 30/05/2023	<b>Management Comments:</b> The reconciliation will be completed as part of the quarterly check on billing that will take place in advance of the June quarter day. <i>Internal Audit Comments: We will continue to follow this recommendation up as it falls due.</i>

## RECOMMENDATIONS: OVERDUE




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 	James Pickering (Welfare Reform Manager)	<del>30/06/2022</del> <del>31/12/2022</del> 30/06/2023	<p><b>Management Comments:</b> We are currently reviewing our internal and external processes to ensure a more automated approach. For example, QL tasks for tenancy review on annual basis, investigation council tax prompts to provide further assurance and developing our QL actions to help identify and report on tenancies coming to an end.</p> <p><b>Internal Audit Comments:</b> This action is ongoing for the PRS Team and will be followed up for future Audit Committees. There has been progress on this action and work is ongoing with IT to develop automated processes.</p>
2021/22. Project Management	The PMO Team should provide refresher training or arrange a workshop to inform staff of the reporting requirements including variance analysis on the project (see finding 3 for further details)	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> <del>31/12/2022</del> 30/09/2023	<p><b>Management Comments:</b> Training slides have been developed for the project process which includes reporting requirements, and had been piloted with the Regeneration Team. We have updated roles and responsibilities document for Project Teams which has been approved by the Development Board and uploaded onto the intranet. The corporate monitoring and reporting arrangements for projects have been reviewed and by the Change Team with the aim of developing a standardised approach with the single corporate performance database. Therefore, following these changes, there will be a wider roll-out of training to project managers to address new project documentation requirements for CDM and environmental considerations, and on the new corporate approach. A Communications Strategy for the roll-out of training is being discussed to include use of Connected Council and an initial Let's Talk session to reach a wide cross section of staff before rolling out further sessions.</p> <p><b>Internal Audit Comments:</b> Considerable activity has been taken towards the implementation of the training, however, training is yet to be rolled out to project managers. We will continue to follow this recommendation up as it falls due. However, we note that the delay in training roll-out has been driven by the desire to incorporate corporate monitoring and reporting arrangements which are being developed.</p>

2021/22. Project Management	The onus should be placed on the Project Managers to review variances and ask questions where they are unsure on how to narrate these.	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> <del>31/12/2022</del> 30/09/2023	<p><b>Management Comments:</b> Messaging has been included in monthly project updates to project managers to emphasise the importance of accurate financial forecasting. Updated roles and responsibilities document for Project Teams have been approved by the Development Board to ensure the responsibilities are clear. There has been improved engagement with forecasting in Q3 monitoring, with 49 individual projects reporting a variance, and reporting a significant overall variance in-year. There has also been improved engagement around forecasting and budget profiling which has fed into budget setting process for 2023/24. There is further action on developing guidance on variance reporting via the wider planned training sessions.</p> <p><b>Internal Audit Comments:</b> Considerable work has been done to place the onus of variance monitoring on project managers but we will continue to monitor the additional guidance to project managers on variance reporting in the training sessions.</p>
61 2021/22. Project Management	To formalise and better promote a lesson learnt process, which involves the PMO Team to report the lessons learnt log to the Development Review Group on a quarterly basis. The PMO Team should consolidate the lessons learnt into a report and distribute to Project Managers for wider learning. The Development Review Group should monitor the lessons learnt and ensure that actions are taken to mitigate the issues from occurring in the future	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> <del>31/12/2022</del> 30/09/2023	<p><b>Management Comments:</b> Although an on-line lessons learnt log is still not widely used, there are on-going examples of project managers coming forward in other ways, such as through workshops, to share examples of lessons learned, and knowledge around best practice. These examples of improved knowledge sharing are taking place through the general project update and governance processes. The project closure process is also now better embedded across the Council. This approach for DRG to oversee lessons learned monitoring has yet to be formalised as per the action point.</p> <p><b>Internal Audit Comments:</b> There has been informal work towards consolidating lessons learnt and sharing best practice between project managers, but the monitoring of lessons learnt by the Development Review Group has not been formalised and an online lessons learnt log has not been set up. We will continue to follow this recommendation up as it falls due.</p>
2021/22. Project Management	To amend the lessons learnt log to include an action, a responsible Officer, and a date for the completion of actions where applicable for monitoring purposes.	MEDIUM 	James Marriot (PMO Lead)	<del>31/07/2022</del> <del>31/03/2023</del> 30/09/2023	<p><b>Management Comments:</b> Specific actions are emerging from project closure reports are being reported to Development Board, together with identified responsible officers. There is still an action point around capturing these actions in a corporate log.</p> <p><b>Internal Audit Comments:</b> We confirmed that project closure reports are being reported to the Development Board and actions are allocated appropriately, however these have not been consolidated into a central log.</p>

<p><b>2021/22. Project Management</b></p>	<p>The PMO Team should provide refresher training or arrange a workshop to inform staff of reporting requirements</p>	<p>MEDIUM </p>	<p>James Marriot (PMO Lead)</p>	<p><del>31/07/2022</del> <del>31/12/2022</del> 30/09/2023</p>	<p><b>Management Comments:</b> Training will signpost the lessons learned process but has yet to be provided. <b>Internal Audit Comments:</b> Training slides have been developed but have not yet been rolled out.</p>
<p><b>2021/22. Project Management</b></p>	<p>The PMO Team should design a training session or a workshop which demonstrates how Smartsheets, the Council’s main risk register, and the lessons learnt web-form should be completed and monitored. Refresher training should be aimed at existing and new staff who complete work for the Capital projects. Training resources should be uploaded onto the Council’s intranet for staff to revisit and which should include examples of best practice for guidance.</p>	<p>MEDIUM </p>	<p>James Marriot (PMO Lead)</p>	<p><del>31/07/2022</del> <del>31/12/2022</del> 30/09/2023</p>	<p><b>Management Comments:</b> Training material has been piloted but has to be rolled out pending some expected process changes. Initial training will be sign post the improved guidance in place on the intranet and clarify reporting requirements and expectations. <b>Internal Audit Comments:</b> Training slides have been developed but have not yet been rolled out.</p>

## RECOMMENDATIONS: MOVED TO LOW

These recommendations have been moved from High to Low as progress has been made against the recommendation which has reduced the risk.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22. Environment	Once the actions from the NZOAP/CMP have been updated with action owners and timelines (per Finding 1), progress reports on these actions should be reported on a quarterly basis into the group. Delays or blockages on these actions should be reported on to a relevant Cabinet scrutiny group (if the membership of the SG is not expanded to include Executive Directors, the CEO and Members)	  	Mish Tullar (Head of Corporate Strategy)	31/12/2022	<p><b>Management Comments:</b> This is linked to 1.2 and 13 above. The updated master plan is going to scrutiny on a regular basis starting in March 2023.</p> <p><b>Internal Audit Comments:</b> <i>There has been considerable action taken to ensure the masterplan is overseen by the Cabinet Scrutiny Group. As the masterplan has been updated and is scheduled to be taken to the Scrutiny Group from March 2023, we have reduced this to a Low risk.</i></p>





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**INTERNAL AUDIT  
ANNUAL PLAN  
2023-24 AND  
STRATEGIC PLAN  
2023-2026**

Oxford City Council

April 2023

IDEAS | PEOPLE | TRUST



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# AUDIT RISK ASSESSMENT

## BACKGROUND

Our risk-based approach to internal audit uses Oxford City Council's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the Council's current risk profile.

## PLANNED APPROACH TO INTERNAL AUDIT 2023/24

The indicative Internal Audit programme for 2023/24 is set out on pages six to 10. We met with the Operational Divisional Group (ODG) and the S151 Officer to bring together a full plan which will be presented at this Audit and Governance Committee for formal review and approval. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages five.

## INDIVIDUAL AUDITS

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required, we will obtain approval from the appropriate Head of Service prior to commencing fieldwork.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Council, and which ensures availability of key management and staff and takes account of any operational pressures being experienced.

## VARIATIONS TO THE PLAN

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, demonstrating we are focussing on your most important issues.

As such, our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Heads of Services. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

# OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

## CORE ASSURANCE

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

## SOFT CONTROLS

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

## FUTURE FOCUSED ASSURANCE

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

## FLEXIBLE AUDIT RESOURCE

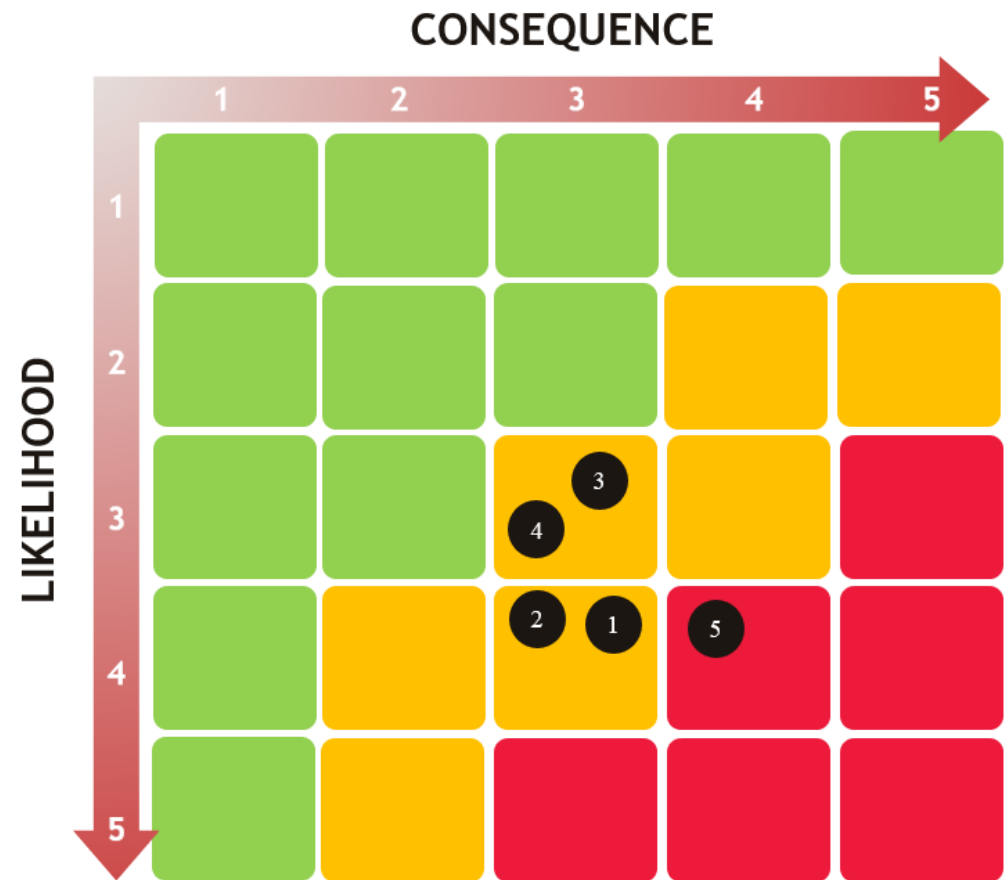
Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



# MAPPING YOUR STRATEGIC RISKS

REF	STRATEGIC PRIORITIES FROM YOUR CORPORATE STRATEGY
1	Enable an Inclusive Economy
2	Deliver More Affordable Housing
3	Support Thriving Communities
4	Pursue a Zero Carbon Oxford
5	Other (Including Finance/ICT)

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## MAPPING YOUR PRIORITIES TO THE STRATEGIC PLAN

REF	PRIORITIES FROM YOUR CORPORATE PLAN	2023/24	2024/25	2025/26
1	Enable an Inclusive Economy	<ul style="list-style-type: none"> <li>• Planning Services</li> <li>• Building Control</li> <li>• Health and Safety and Fire Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Regeneration</li> <li>• Equality Diversity and Inclusion (EDI)</li> </ul>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Tourism - Income Generation</li> </ul>
2	Deliver More Affordable Housing	<ul style="list-style-type: none"> <li>• Private Rented Sector</li> <li>• Empty Properties and Dwellings</li> <li>• Planning Services</li> <li>• Health and Safety and Fire Safety</li> </ul>		<ul style="list-style-type: none"> <li>• Housing Decarbonisation</li> <li>• Housing Rents</li> </ul>
3	Support Thriving Communities	<ul style="list-style-type: none"> <li>• Selective Licensing</li> <li>• Town Hall and Community Centre Lettings</li> <li>• Private Rented Sector</li> <li>• Planning Services</li> <li>• Health and Safety and Fire Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Community Capital Projects</li> <li>• Oxford Safer Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Youth Ambition Programme</li> <li>• Leisure Centre Contracts</li> </ul>



REF	PRIORITIES FROM YOUR CORPORATE PLAN	2023/24	2024/25	2025/26
4	Pursue a Zero Carbon Oxford		<ul style="list-style-type: none"> <li>Energy Super Hub Oxford (EV infrastructure)</li> </ul>	<ul style="list-style-type: none"> <li>Housing Decarbonisation</li> </ul>
5	Other (Including Finance/ICT)	<ul style="list-style-type: none"> <li>Data Analytics</li> <li>Accounts Receivables</li> <li>QL Optimisation</li> </ul>	<ul style="list-style-type: none"> <li>Payroll and Overtime</li> <li>Accounts Payable</li> <li>Recruitment and Retention</li> <li>Business Continuity and Disaster Recovery</li> <li>GDPR and High-level Freedom of Information</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Cards and Expenses</li> <li>Fixed Assets Register</li> <li>Treasury Management</li> <li>Data Analytics</li> <li>Housing Rents</li> </ul>

## INTERNAL AUDIT OPERATIONAL PLAN 2023/24

AREA	PRIORITY	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Core Assurance</b>					
Private Rented Sector	2,3	15	Q2	To review the controls and processes within the Private Rented Sector covering the Rent Guarantee Scheme (RGS), Lord Mayor Deposit, Home Choice Scheme and Real Lets. This review will be undertaken two years on from its initial review which concluded on a limited assurance opinion.	We undertook a review within the Private Rented Sector in 2021-22. We noted a lack of controls within the sector particularly around authorisation of finders fees and due diligence of landlords. This resulted in a limited assurance opinion. We are revisiting this area to provide assurance to the Audit and Governance Committee that all recommended controls have been embedded within the sector.
Planning Services	1,2,3	16	Q1	To review the controls and processes within Planning particularly focussing on the end-to-end process of planning applications and to assess the income generation and collection activities within the service. We will also undertake a high level overview on the effectiveness of partnership working within the service.	We last reviewed planning services in 2020 where we assessed the capacity and resilience of the planning team. The Council is becoming more commercially focused, therefore we will review the Income generation activities within planning services and the planning applications end to end process.
Building Control	1,2,3	17	Q3	This review will assess the initial analytical work the Council has undertaken to determine its readiness in partnering with the Council including an assessment of the financial and governance structures proposed for the partnership.	The Council are considering partnering with other Local authorities on their Building Control activities. We will provide assurance to the Audit and Governance Committee on its state of readiness for its partnership.
Selective Licensing	3	16	Q4	To review the controls and processes within Selective Licensing. We will review the end-to-end process and management of selective licensing.	The Housing Act 2004 allows the Council to require any private rented homes within a specified area to have a licence (unless it falls under mandatory or

AREA	PRIORITY	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
					<p>additional HMO licensing). The reason for selective licensing is to address problems such as poor property conditions.</p> <p>On 21 April 2022, the government confirmed the designation of the whole city for selective licensing. The selective licensing scheme came into effect on 1 September 2022 and will end on 31 August 2027.</p> <p>We will provide assurance to the Audit and Governance committee on how well the processes within selective licensing are working one year on since its introduction.</p>
75 Health and Safety and Fire Safety	1,2,3	16	Q3	We will review the Health and Safety processes and assess a sample of health and safety checks completed by the Council. We will also assess the Council's Fire Safety arrangements and whether fire risk assessments have been undertaken for its high-risk properties in line with regulations.	<p>The Council is identified as a 'responsible person' as per the guidance within the Fire and Safety regulations 2022.</p> <p>We will provide assurance to the Audit and Governance Committee whether Health and Safety and Fire Safety requirements are undertaken in line with regulations.</p>
<b>Total</b>		<b>80</b>			

AREA	PRIORITY	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Core Assurance</b>					
Data Analytics	5	16	Q3	To conduct data analytics on main financial system information including the ledger and payroll. This will include conducting data analytics tests and subsequently following up on red flags identified.	Cyclical review of key systems and controls to provide assurance on the core financial controls in place.
Empty Properties and Dwellings	1,2	16	Q1	To review the arrangements to manage empty properties and dwellings and to ensure they are promptly and effectively brought into use. This will include ensuring the reporting of data is accurate and sufficiently scrutinised.	There are over 57,000 dwellings in Oxford. Over the next 15 years 28,000 more homes are needed with 11,000 of these being built in the city. In addition, there is a rise in the number of empty properties and dwellings within Oxford. We will provide assurance to the Audit and Governance Committee that the Council have adequate arrangements to bring empty properties and dwellings into use as early as possible.
Town Hall and Community Centre Lettings	3	15	Q2	To review the adequacy, application and effectiveness of the internal controls in place for the Town Hall and Community Centre lettings. The review will consider: <ul style="list-style-type: none"> <li>• Policies and procedures in place for the Letting of Community Centre Lettings and the Town Hall;</li> <li>• Booking records and letting agreements;</li> <li>• Fees and Income;</li> <li>• Budget Monitoring and Cost Recovery (VFM)</li> </ul> Compliance with legislation and insurance requirements.	Since the pandemic the Council has moved their existing workforce to the Town Hall. This area has not been reviewed previously and therefore we will provide assurance to the Audit and Governance Committee on the adequacy of management of Town Hall and Community Centre Lettings.
Accounts Receivables	5	15	Q3	Assess the arrangements to input, amend, record and report accounts receivable data including ensure new structures in place are robust and have met the objectives set out. Ensure Debt collection	Due to COVID-19, debt recovery processes were temporarily paused across the Council resulting in an increase in the level of debt owed to the Council. This review was previously undertaken in 2021-22 and is part of a cyclical review process. We will

AREA	PRIORITY	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
				arrangements are sound and followed up appropriately.	assess the controls and processes post the pandemic.
Total		62			

AREA	PRIORITY	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Flexible Live Assurance</b>					
QL Optimisation	5	16	Q4	We will assess whether the Council's interventions for QL (including Governance structures) are working well.	In January 2023 the Council underwent a detailed consultation on the underlying issues experienced with QL Areon (Housing Management System). The Council have worked hard to embed controls to ensure the system is established as business as usual.
<b>Total</b>		<b>16</b>			

AREA	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Contract Management</b>				
Planning / liaison / N/A management	10	Q1 - Q4	Creation of audit plan, meeting with Executive Directors	Effective contract management
Recommendations follow up	8	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for Executive Team and Audit and Governance Committee
Audit and Governance Committees	4	Q1 - Q4	Attendance at Audit and Governance Committee meetings, pre-meets and Committee Chair liaison	Effective contract management
<b>Total</b>	<b>22</b>			

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SUMMARY	DAYS
Core Assurance	142
Soft Controls	
Future Focused Reviews	-
Flexible Audit Resource	16
Contract Management	22
<b>Total days</b>	<b>180</b>

# APPENDIX I - INTERNAL AUDIT CHARTER

## INTERNAL AUDIT CHARTER - ROLE AND SCOPE OF INTERNAL AUDIT

### PURPOSE OF THIS CHARTER

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Oxford City Council and defines the scope of internal audit activities.

Final approval resides with the Audit and Governance Committee in practice the charter shall be reviewed and approved annually by management and by the Audit and Governance Committee on behalf of Oxford City Council

### INTERNAL AUDIT'S MISSION

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### STANDARDS OF INTERNAL AUDIT PRACTICE

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

### INTERNAL AUDIT DEFINITION AND ROLE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit acts primarily to provide the Audit and Governance Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

### INTERNAL AUDIT'S SCOPE

The scope of internal audit activities includes all activities conducted by Oxford City Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.



## EFFECTIVE INTERNAL AUDIT

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Oxford City Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

## INDEPENDENCE AND INTERNAL AUDIT'S POSITION WITHIN OXFORD CITY COUNCIL

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit and Governance Committee. The Head of Internal Audit has free and full access to the Chair of the Audit and Governance Committee. The Head of Internal Audit reports administratively to the S151 Officer who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit and Governance Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Oxford City Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit and Governance Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit and Governance Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit and Governance Committee to discuss the implications.

BDO provides internal audit services to each of the Council's subsidiaries Oxford Direct Services ODSL/ODSTL and Oxford City Housing Limited OCHL. These are operated by separate teams and whilst we may become aware of the opinion of these subsidiaries, the Head of Internal Audit does not attend the Audit committees for these subsidiaries. Where there is overlap between the Council and subsidiary reviews we have implemented a protocol process which sets out the principles of our approach for developing consistent working arrangements between BDO, Oxford City Council (OCC), Oxford Direct Services Limited (ODSL/ODSTL) and Oxford City Housing Limited (OCHL) within their respective internal audit programmes.

## INTERNAL AUDIT'S ROLE IN COUNTERING FRAUD, BRIBERY AND CORRUPTION

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspects a fraud, this will be referred to appropriate management in the first instance and then the Audit and Governance Committee.

### ACCESS TO RECORDS AND CONFIDENTIALITY

There are no limitations to internal audit's right of access to Oxford City Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 2018.

### COORDINATION AND RELIANCE WITH OTHER ASSURANCE PROVIDERS

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

### INTERNAL AUDIT'S COMMITMENTS TO OXFORD CITY COUNCIL

Internal audit commits to the following:

- Working with management to improve risk management, controls and governance within the organisation
- Performing work in accordance with PSIAS
- Complying with the ethical requirements of PSIAS
- Dealing in a professional manner with Council staff, recognising their other commitments and pressures
- Raising issues as they are identified, so there are no surprises and providing practical recommendations
- Liaising with external audit and other regulators to maximise the assurance provided to the Council
- Reporting honestly on performance against targets to the Audit and Governance Committee.

### INTERNAL AUDIT PERFORMANCE MEASURES AND INDICATORS

The tables below contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit and Governance Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

### QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

As required by PSIAS, an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit and Governance Committee as part of the internal audit annual report, along with corrective action plans.

## TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

MEASURE / INDICATOR
<p><b>Audit Coverage</b></p> <p>Annual Audit Plan delivered in line with timetable. Actual days are in accordance with Annual Audit Plan.</p>
<p><b>Relationships and customer satisfaction</b></p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit. Annual survey to Audit and Governance Committee to achieve score of at least 70%. External audit can rely on the work undertaken by internal audit (where planned).</p>
<p><b>Staffing and Training</b></p> <p>At least 60% input from qualified staff.</p>
<p><b>Audit Reporting</b></p> <p>Issuance of draft report within 3 weeks of fieldwork `closing` meeting. Finalise internal audit report 1 week after management responses to report are received. 90% recommendations to be accepted by management. Information is presented in the format requested by the customer.</p>
<p><b>Audit Quality</b></p> <p>High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review.</p>

### MANAGEMENT AND STAFF COMMITMENTS TO INTERNAL AUDIT

The management and staff of Oxford City Council commit to the following:

- Providing unrestricted access to all of Oxford City Council's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the organisation
- Not requesting any service from internal audit that would impair its independence or objectivity
- Providing honest and constructive feedback on the performance of internal audit.

### MANAGEMENT AND STAFF PERFORMANCE MEASURES AND INDICATORS

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit and Governance Committee Progress Report.

## TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

### MEASURE / INDICATOR

#### Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.

#### Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe.

#### Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit and Governance Committee whether appropriate co-operation has been provided by management and staff.

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## **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.*

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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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