

# Minutes of a meeting of the Audit and Governance Committee on Wednesday 17 January 2024

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## Committee members present:

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

## Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services  
Bill Lewis, Finance Accounting Manager  
Emma Griffiths, Team Leader Lawyer  
Lucy Brown, Committee and Member Services Officer

## Also present:

Gurpreet Dulay, Internal Auditor, BDO  
Yasmin Ahmed, Internal Auditor, BDO  
Maria Grindley, External Auditor, Ernst & Young  
Ryan Taylor, Technical Accountant  
Helen Bishop, Head of Business Improvement  
Neil Markham, Incomes Team Leader  
Rocco Labellarte, Chief Technology Officer

## Apologies:

No apologies were received

## 30. Election of Vice-Chair for the remainder of the municipal year 2023/24

Councillor Chris Jarvis was elected as Vice-Chair for the remainder of the municipal year 2023/24.

## 31. Declarations of Interest

**Item 6: Setting of Council Tax Base 2024/25: Cllrs Roz Smith, Tiago Corais, and Anna Railton:** advised the Committee that they were Parish Councillors, and had made the declaration for reasons of transparency; it was not a pecuniary interest and they were not required to leave the room during consideration of that item.

## 32. Risk Management Report as at 30 November 2023

Bill Lewis, Financial Accounting Manager, introduced the report which updated the Committee on both the corporate and service risks as at 30 November 2023 and highlighted that the corporate risk register was currently being updated by senior managers and therefore no comparison to previous periods could be shown. He drew the Committee's attention to one new red risk on the corporate risk register for financial stability.

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

- The risk for Climate Change was split into two sections in the corporate risk register as it was felt they were two separate risks and should therefore be listed as such.
- There was an increase in red risks, and work would take place to reduce these risks to lower categories by the accountable Heads of Service throughout the subsequent review periods.
- It was noted that whilst some of these risks would reduce over time, some would remain high due to national circumstances.
- Mitigations would be put in place to reduce the risks and actions plans against these risks were underway.

In response to a question from Cllr Roz Smith regarding what mitigations were in place for the Workforce Sustainability risk highlighted in the Corporate Risk Register, Helen Bishop, Head of Business Improvement advised that she would respond via a separate email to the Committee, via the Clerk. She also advised that this response would include information on a subsequent question from Cllr Chris Jarvis asking how a reduced workforce would mitigate against increased workload putting pressure on capacity and resulting in low morale. **(ACTION)**

- A full risk register as an appendix would be more useful for the Committee to monitor against, and the Committee requested this be included in future reports.
- Mitigations against those shown as red risks within the Service Risk Registers would be useful for the Committee to review for the next meeting.
- Robotic Process Automation processes were being utilised where possible to provide efficiencies to the Council and improve customer response times.

The Committee highlighted concerns regarding the workforce sustainability that seemed to feed through most of the service risks identified in the report and requested that Helen Bishop provide a paper to the next Committee detailing how this was being addressed. **(ACTION)**

**The Committee noted the report.**

### **33. External Auditors: Verbal Update 2021/22 and 2022/23 audits**

Maria Grindley, External Auditor, Ernst & Young, provided a verbal report to update the Committee on the 2021/22 accounts. She highlighted the challenges faced by the Council's Finance Team, however advised that there had been regular contact between the Council and the auditors to deal with any remaining queries associated with this audit. She further advised that work on the 2022/23 financial statements would not commence until further guidance had been received from government legislation to clear the backlog of accounts across the public sector, however work had commenced on the value for money aspect of the financial statements.

In response to a query from the Committee, Bill Lewis, Financial Accounting Manager advised that it would be difficult to provide an accurate date for the completion of the 2021/22 audit, however they held regular progress meetings with the External Auditors. Maria Grindley informed the Committee that until responses had been received to all queries raised, they would be unable to judge the amount of work involved to complete the audit.

The Committee thanked the external auditors for their update.

### **34. Setting of Council Tax Base 2024/25**

Ryan Taylor, Technical Accountant introduced the report which asked the Committee to consider and approve the Council Tax Base for 2024-25. 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 2024/25. The factors taken into account in the calculation of the Tax Base were shown in the report. He drew the Committee's attention to the increase of just under 1% on the previous year, and the breakdown detailed by Parish within the report.

*Cllr Amar Latif arrived at the meeting.*

Ryan Taylor and Nigel Kennedy, Head of Financial Services responded to questions from the Committee as follows:

- The Council Tax Base refers to total number of dwellings that receive a charge in the city, and the council tax charge was the charge paid by each individual household.
- The estimates provided in the report on the number of new builds were conservative estimates as the Council was unable to determine the number of new builds that were completed, and when residents would move in.
- It was expected that the Council would be unable to apply the Second Home Premium to Council Tax charges until April 2025, due to a change in legislation, and this confirmation was expected from DLUHC shortly. This change had resulted in a one-off loss to the Council's budget and any expected income would be rolled over to the next financial year.
- The total of number of dwellings with their discounts and premiums attached could be provided in the information tables for future reports.

In response to a query regarding the number of empty dwellings in the city, and the use and number of CPO's and EDMO's issued in tackling this issue, Bill Lewis, Financial Accounting Manager, advised that a report would be brought to the next Committee meeting. The Committee also requested information on the number of properties held empty over the long-term and if these could be reclassified for Council Tax collection purposes. **(ACTION)**

The Committee were resolved to agree:

1. That the 2024/25 Council Tax Base for the City Council's area as a whole is set at 46,234.9 (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	38,499.2
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Littlemore Parish	2,036.9
Old Marston Parish	1,310.5
Risinghurst & Sandhills Parish	1,558.7
Blackbird Leys Parish	2,829.6
City Council Total	46,234.9

### 35. Internal Audit Progress Report - January 2024

Gurpreet Dulay, Internal Auditor, BDO, introduced the report which informed the Committee on progress made against the Internal Audit work plan and on the outcome of their reviews. He highlighted that good progress had been made and they were on track to provide their audit opinion to the July meeting. He reminded the Committee that feedback on completed audits had been requested that would feed into their KPI's to formulate performance results provided to the Committee and asked that Service Heads be reminded to complete these surveys. Nigel Kennedy, Head of Financial Services agreed to take this action forward.

Yasmin Ahmed, Internal Auditor, BDO, provided additional detail to the individual outstanding audits, and along with Gurpreet Dulay, responded to Members' questions as follows:

- When reviewing the Empty Properties and Dwelling audit, it was noted that not all of the KPI's were detailed in the report, however this information could be provided to the Committee. **(ACTION)**
- The correct premium rate had been applied to empty properties of the sample reviewed, and further detail as to the number of empty properties, and whether this has risen could be provided to the Committee as part of the report noted in the previous item.
- 15 records were sampled as part of the Empty Properties and Dwelling audit as it was determined to be a medium risk to the Council in accordance with the BDO methodology.

Yasmin Ahmed introduced the audit on Accounts Receivable, and Neil Markham, Incomes Team Leader provided further information on the areas of concern addressed within the report. He responded to Members' queries and concerns as follows:

- If an invoice remained unpaid with no change of address or ownership notified, the Incomes Team would work with the Fraud department to report any suspicions.
- The Team would retain its desktop licence whilst merger to the Cloud took place to ensure a smooth transition as part of the Agresso upgrade.

Yasmin Ahmed provided further detail regarding the Planned Maintenance and Refurbishment audit, and Nigel Kennedy advised that following conversations with the Head of Housing, further resource had been sought which would enable the department to address some of the concerns raised. It was also recognised that the condition survey was incomplete, however a new survey had now been commissioned. Following concerns raised regarding the clienting contract with the Council company, Oxford Direct Services Limited, an external review had highlighted deficiencies within the current service level agreement, which was currently being reviewed.

The Committee noted the contents of the report.

### **36. Internal Audit Follow Up Report - January 2024**

Yasmin Ahmed, Internal Auditor, BDO presented the report which informed the Committee on the implementation of the recommendations from their previous internal audit reviews. She provided further information on those recommendations that had been completed or remained outstanding, with follow up actions as detailed in the report. She advised that the completion rate for implementation of recommendations had declined since the last meeting from 58% to 46%, and the Committee suggested that Nigel Kennedy, Head of Financial Services remind Service Heads of the requirement to work to the deadlines set by the Internal Auditors.

Tina Mould, Environmental Sustainability Business Lead, attended the meeting to provide additional information regarding the audits outstanding for Environment.

In response to a query raised by the Committee, Yasmin Ahmed advised that evidence had not been provided to enable the Internal Auditors to sign off on some outstanding audits. Nigel Kennedy, Head of Financial Services informed the Committee that in some audits, the timing of reports published for this Committee did not align with evidence received by the Auditors, and some progress had in fact been made in some, but not all audits, however the responsibility would lie with the Service Heads. Gurpreet Dulay, Internal Auditor, BDO, advised that BDO would review their timetable for requesting updates, to better inform the Council on outstanding requests for evidence in a timelier manner for the reports.

Gurpreet Dulay provided further information to the Committee regarding new procurement law due to be published and advised that they would work with the Council's Procurement Manager to bring an informative report to the next Committee meeting. **(ACTION)**

The Committee noted the contents of the report.

*The Committee agreed to take agenda item 11 next, before returning to the remainder of the agenda in private session.*

### **37. Minutes of the previous meeting**

The Committee agreed to approve the ordinary and confidential minutes of the meeting held on 27 September 2023 as a true and accurate record.

The Committee noted the outstanding actions as detailed in the minutes and were advised that these had not been completed due to staff capacity, however, would be presented to the next meeting. **(ACTION)**

### **38. Matters exempt and part exempt from publication**

The Audit and 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 for the following agenda items on the grounds that Oxford City Council, Town Hall, St Aldates', 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.

### **39. Internal Audit Follow Up Report - Cyber Security (Private)**

Yasmin Ahmed, Internal Auditor, BDO presented the report which updated the Committee on the status of implementation of recommendations arising from the Cyber Security report issued in 2022/23. Rocco Labellerte, Chief Technology Officer responded to queries raised by the Committee in private session.

The Committee noted the contents of the report.

**40. Dates and times of meetings**

The Committee noted the dates and times of future meetings.

**The meeting started at 6.00 pm and ended at 7.55 pm**

**Chair .....**

**Date: Monday 8 April 2024**

*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.*