

Minutes of a meeting of the Audit and Governance Committee on Wednesday 23 July 2025

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Committee members present:

Councillor Roz Smith

Councillor Harley

Councillor Ottino

Councillor Munkonge (Substitute)

Officers present for all or part of the meeting:

Hannah Carmody-Brown, Committee and Member Services Officer

Gurpreet Dulay, Internal Auditor (BDO)

Nigel Kennedy, Group Finance Director

Bill Lewis, Financial Accounting Manager

Jonathan Malton, Committee and Member Services Manager

Scott Warner, Counter Fraud Manager

Lucy Walker, Non-Executive Director (ODS)

Preeti Malik, External Auditor (Ernst & Young)

Roger Martin, Insurance, Risk Management and Business Continuity Officer

Emma Jackman, Director of Law, Governance and Strategy

Chris Urwin, Executive Director - Finance (ODS)

Phil McGaskill, Revenues Service Delivery Manager

Melissa Hope, Organisational Development Manager

Apologies:

Councillor Fry sent apologies; Councillor Munkonge attended as substitute.

Councillor Jupp and Councillor Corais also sent apologies.

It was noted that Councillor Harley may be late.

42. Election of Chair for Council Year 2025-2026

The Committee and Member Services Officer requested nominations for Chair.

Councillor Munkonge proposed, and Councillor Ottino seconded the nomination of Councillor Fry to be elected as Chair of the Committee for 2025/26.

There were no further nominations.

The Audit and Governance Committee resolved that Councillor Fry be elected as the Chair for 2025/26.

43. Election of Vice-Chair for Council Year 2025-2026

The Committee and Member Services Officer requested nominations for Vice-Chair.

Councillor Ottino proposed, and Councillor Munkonge seconded the nomination of Councillor Smith to be elected as Vice-Chair of the Committee for 2025/26.

There were no further nominations.

The Audit and Governance Committee resolved that Councillor Smith be elected as the Vice-Chair for 2025/26.

In the absence of Councillor Fry, Councillor Smith would chair the meeting.

44. Declarations of Interest

None.

45. Minutes of the previous meeting

The Chair invited questions or comments on the minutes.

Councillor Munkonge asked, in relation to the minutes of the meeting held on 20 January 2025, whether issues relating to the recruitment and retention and legal locums had been finalised. The Director of Law, Governance and Strategy provided an update, confirming that whilst the Council still employs multiple locum lawyers, there has been successful recruitment to a post within the planning team. However, for other

roles recruitment has not yet commenced and it was also explained that stable locums are relied upon to support the department at present.

Councillor Munkonge asked, in relation to the minutes of the meeting held on 2 April 2025, specifically page 23, whether comparable information on Cambridge and Watford had been obtained. The Insurance, Risk Management and Business Continuity Officer noted that this information had been included in the report for item 14 on the agenda.

Councillor Munkonge asked, in relation to the minutes of the meeting held on 2 April 2025, specifically page 26, whether the housing benefit recovery comparison requested was now available. The Group Finance Direct committed to bringing this to the next meeting of the Committee in October.

The Committee resolved to **approve** the minutes of the meetings held on 20 January 2025 and 2 April 2025 as true and accurate records.

46. Addresses by members of the public

None.

47. Councillor addresses on any item for discussion

None.

48. ODS: Annual Audit Opinion and Internal Control Environment 2024/25

ODS had submitted a report to update the Audit and Governance Committee.

Lucy Walker, Non-Executive Director (ODS), and Chris Urwin, Executive Director for Finance (ODS), were present to respond to questions.

The Non-Executive Director (ODS) summarised the report, emphasising the ongoing workstreams and improvements being focused on.

The Committee and Member Services Manager left the meeting.

The Chair invited questions from the Committee.

The Chair queried whether Ray Jones was an independent member of ODS Audit Committee; this was confirmed.

The Chair welcomed the list of future audits but noted the conflicts of interest carried forward from previous year. It was asked whether this would be considered as a priority. The Non-Executive Director (ODS) confirmed that this would be considered within the upcoming audits but had been deferred, at the choice of the committee, until October. It was emphasised that it would be considered as a priority, and focused work is ongoing with the ODS lawyer in relation to this.

Councillor Ottino asked how the business is affected by the unqualified audit opinion and requested further context on the matter. The Non-Executive Director (ODS) explained that ODS has not been significantly affected and were progressing with ongoing work successfully. It was emphasised that the matter would be held at the forefront of future plans to inform improvements going forwards.

Councillor Munkonge, in reference to page 33, asked whether ODS now has clear oversight of project management. In reference to page 4, it was also asked whether the poor communication between ODS and Oxford City Council had been resolved. The Non-Executive Director (ODS) explained that project management has been sharpened and the results of this will be evident over time, although further work will still be done to improve further. Regarding communication, the Committee heard that the necessary improvements will be developed over time with the support and cooperation of Oxford City Council; this will involve matters such as updating service level agreements. It was also noted that a lot of communication work is informal and would not be reflected in documentation. The Group Finance Director supported these comments and confirmed that communication between the two bodies is operating positively.

The Executive Director for Finance (ODS) expressed his support for the appointment of the Non-Executive Director (ODS), noting the rigour she brings to the company. The Committee were also assured that although lots of focus is being paid to active improvements, other good work is also ongoing which must not be forgotten. The strong working relationship with the Group Finance Director was also noted.

The Audit and Governance Committee **noted** the report.

The Non-Executive Director (ODS) and the Executive Director for Finance (ODS) left the meeting and did not return.

49. Internal Audit Annual Report and Annual Statement of Assurance 2024/25

The Internal Auditor (BDO) had submitted a report to update the Audit and Governance Committee of work undertaken and the effectiveness of controls in place for the full year.

Gurpreet Dulay, the Internal Auditor, was present to respond to questions.

The Internal Auditor explained that in future years a group opinion would be issued including audits of Oxford City Council and its companies. In response to queries from the Chair, it was outlined how this would take place.

The Internal Auditor summarised the report, noting that it is currently in draft and is designed to inform the Committee of the Internal Auditor's overall opinion of governance, risk, and control within the Council. This report summarises the work done to reach this opinion. The Committee heard that the report does not account for the recent cyber incident that the Council experienced, but that reports to the next Committee would account for this. Overall, the Internal Audit concluded a moderate opinion.

The Chair invited questions from the Committee.

Councillor Munkonge, in relation to page 47 and GDPR, asked whether the matters noted have been resolved since the review. The Director of Law, Governance and Strategy confirmed that work has been done to address issues with GDPR management, however this was hindered by the recent cyber incident which reduced staff capacity and delayed delivery of formal responses. Then Committee heard that the relevant work will be resumed. Furthermore, it was also explained that FOI management has been improved and is now meeting higher standards against statutory requirements. The Director of Law, Governance and Strategy also noted that a new HR system is being sought to deliver FOI training.

The Chair requested that colour photographs be omitted from future BDO reports.

Councillor Munkonge commented positively on the substantial conclusions noted on page 49 of the report.

The Audit and Governance Committee **noted** the report.

Scott Warner, the Counter Fraud Manager, joined the meeting.

50. Internal Audit Progress Report

The Internal Auditor (BDO) had submitted a report to inform the Audit and Governance Committee of progress made against the 2025/2026 internal audit plan.

The Internal Auditor was present to respond to questions.

Phil McGaskill, the Revenues Service Delivery Manager, was also present.

The Internal Auditor summarised the report and noted that a moderate opinion had been determined overall, noting some areas for improvement.

The Chair invited questions from the Committee.

Councillor Munkonge, in relation to page 69 and account payables, noted his concern at the information relating to issues with payment cards, and in relation to page 72, noted the management response which implied other priorities were taking precedent. It was asked when this matter would be addressed.

The Internal Auditor explained that a separate and full review of purchasing cards has been completed and will be presented at the next meeting in October. The Committee heard that this report would highlight some concerns but recognises that progress is being made.

The Group Finance Director explained management have taken action to suspend purchase cards where necessary until such time that the responsible officer has been able to meet approval requirements. The Committee heard that the Group Finance Director is confident that the information will be updated as required and is seeking to ensure that the issues does not emerge again. The Revenues Service Delivery Manager explained that payment card instructions are also being reissued to all officers holding payment cards with procedure notes. Regarding easements, the Committee heard that other areas have taken precedent, and whilst timelines cannot be confirmed, there is a plan to review the easement accounts by the end of the financial year.

The Chair queried how many purchase cards exists within the Council to which the Group Finance Director estimated between 50 and 60. The Chair asked whether this could be reduced to which the Revenues Service Delivery Manager confirmed that a process is currently ongoing to assess the need for each card and explained that assessment is being made of whether some could be swapped for purchase order arrangements instead. The Committee also heard that credit card limits are being reviewed but caution is being paid to ensure support for teams which may need higher limits to respond to emergency situations is maintained. The example of provision of urgent temporary accommodation was provided. The Chair recognised the link between this matter and ongoing work to set up long term agreements with temporary housing

providers. The Chair also supported the need for emergency transactions to be enabled via purchase cards as required.

The Internal Auditor provided a summary of the affordable housing management project which involves a review of how arrangements are overseen, including work with OX Place. It was noted that some low areas of concern had been identified and these were summarised, as noted in the report.

Councillor Harley joined the meeting.

Finally, the Internal Auditor informed the Committee that there may be an additional review of housing allocations in 2025/26. The Group Finance Director explained that was taking place at the request of the Housing Director in response to expectations of the Housing regulator. The Committee welcomed the suggestion.

The Audit and Governance Committee **noted** the report.

51. Internal Audit Follow Up Report

The Internal Auditor (BDO) had submitted a report to update the Audit and Governance Committee on progress made against existing recommendations.

The Internal Auditor was present to respond to questions.

Melissa Hope, the Organisational Development Manager, was also present.

The Internal Auditor summarised the report, noting it as a routine report which assesses the progress of implementation against outstanding recommendations. The Committee heard that the Internal Auditor was generally content with the progress being made however, emphasised that some recommendations are taking longer to close, and timeframes have been adjusted in response. Recommendations on matters relating to GDPR, risk management, and recruitment and retention were listed as examples which remain outstanding.

The Insurance, Risk Management and Business Continuity Officer explained, in relation to risk management, that the service risk register review was completed earlier this month and sent to BDO on 16 July. Due to publishing timeframes for this meeting, this was not included in the report. The Internal Auditor confirmed it would be reported on at the next Committee in October.

The Organisational Development Manager, in relation to recruitment and retention, explained that the necessary policy is ready and awaiting CLT and union approval. It was confirmed that this would be completed by the extended deadline and had been delayed by the introduction of the positive action policy which was signed off at Council on 14 July 2025. The two policies will be launched simultaneously. The Committee also heard that the Council is in the process of procuring a new HR and payroll system which will be due in 2028.

The Chair expressed concern over the timing of installing a new HR system given the upcoming changes resulting from local government reorganisation. It was queried whether this was the appropriate time to be investing money in new systems. The Organisational Development Manager explained that the existing contract cannot be extended, and therefore the Council must adopt a new system. The Committee were assured that legal colleagues are being consulted to ensure that the potential impacts of local government reorganisation are considered within any new contract. The Director of Law, Governance and Strategy explained that when any new local authority is formed, statutory instruments are used to ensure that existing contracts persist. It was emphasised that until such time as local government reorganisation takes hold, business must continue as usual and contract issues will be addressed in the future. The Chair noted issues relating to contract organisation in Buckinghamshire and Nottinghamshire following local government reorganisation and emphasised concern. The Chair queried whether break contracts had been considered, to which the Organisational Development Manager noted that alternative options had been considered at senior levels.

Councillor Munkonge, in relation to pages 90 and 91 and data protection, asked why it was noted in the management comments that the recommendation could not be assessed by BDO. Councillor Munkonge also asked whether, given the recent cyber incident, whether August is still a realistic deadline. The Director of Law, Governance and Strategy explained that BDO have been sent the majority of the necessary data and returned some questions which the Council has not yet been able to respond to. It was confirmed that this would be actioned by September as the Council recovers from the impacts of the cyber incident and the deadline was likely realistic but would be reviewed if necessary. The Committee also heard that the audit focused on GDPR and did not assess Freedom of Information matters, other than in relation to training.

Councillor Munkonge, noting that Oxfordshire County Council uses two Internal Auditors, asked whether Oxford City Council are considering a similar option. The Group Finance Director Nigel outlined government advice which suggests that the Chair of the Audit Committee could be an independent member, however noted that as yet, this Council had not acted on this option. The Committee heard that the Bill which may require this has not been enacted yet but is currently progressing through Parliament. Once this is a legal requirement, the Council will consider the option. The Group Finance Director also explained that the Council has not been identified the need to use two Internal Auditors.

The Audit and Governance Committee **noted** the report.

The Organisational Development Manager and the Revenues Service Delivery Manager left the meeting and did not return.

52. External Auditor Provisional Audit Planning Report

The External Auditor (EY) had submitted a report to inform the Audit and Governance Committee of the proposed audit approach and scope for the 2024/25 audit.

Preeti Malik, the External Auditor, was present to respond to questions.

The External Auditor provided a summary of the report and acknowledged the recent cyber incident which required some timelines to shift. It was noted that work is ongoing to assess necessary resources to support this.

The Chair invited questions from the Committee.

Councillor Munkonge asked firstly, when is it likely that the 2024/25 audit would be completed, and secondly, what is likely to be the situation regarding the qualified opinions from previous years. Councillor Munkonge also asked what the likely implications of the government's suggestion to bring back the National Audit Office may be. The External Auditor confirmed that the 2024/25 audit would be completed by the backstop date of February 2026 and explained that the opinion will be disclaimed due to the opening balances having no assurances. The Financial Accounting Manager provided further context surrounding delays in audit fees nationally.

The Audit and Governance Committee **noted** the report.

The External Auditor left the meeting and did not return.

53. Local Audit Reform

The Group Finance Director had submitted a report to update the Audit and Governance Committee of the Government response to the consultation on Local Audit Reform in England.

Bill Lewis, the Financial Accounting Manager, was present to respond to questions.

The Financial Accounting Manager summarised the report, drawing the Committee's attention to the proposal for independent members on audit committees.

The Group Finance Director reiterated that the Bill currently progressing through Parliament may require the Council to include independent persons within the Audit Committee in the future. The Council will address this when the requirement arises.

The Chair invited questions from the Committee.

Councillor Munkonge emphasised the complexity of local government financial accounting and asked that it be considered how data could be presented in a more accessible manner to encourage more members to be engaged with the topic.

The Audit and Governance Committee **noted** the report.

54. Risk Management Update

The Group Finance Director had submitted a report to update the Audit and Governance Committee on corporate and service risks at 30 June 2025.

Roger Martin, the Insurance, Risk Management and Business Continuity Officer, was present to respond to questions.

The Insurance, Risk Management and Business Continuity Officer provided a summary of the report.

The Chair and the Committee noted accessibility issues with the spreadsheet data included within the report. The Committee and Member Services Officer and the Insurance, Risk Management and Business Continuity Officer committed to working together to display this in a clearer manner for the next meeting of the Committee in October.

Councillor Ottino, in relation to page 192, noted that the Council have only limited ability to mitigate flooding and climate change risks, and therefore commented that there will always be high risks noted. It was asked whether it would be possible to view the data of only the risks which the Council can meaningfully address. The Insurance, Risk Management and Business Continuity Officer agreed that some risks noted within the register are outside the council's control but explained that scoring risks involves consideration of probability and impact which can be managed differently.

The Chair requested that members be offered some training on interpreting and assessing risk management and the risk registers. The Insurance, Risk Management and Business Continuity Officer committed to facilitating this before the next meeting of the Committee in October.

Councillor Munkonge made two suggestions. Firstly, in relation to paragraph 13 on page 199 and risk 0056, it was suggested that this be reclassified as a corporate risk, rather than a finance department risk due to its nature. Secondly, it was also commented that work is undertaken to present Excel spreadsheets in a clearer manner. In response, the Insurance, Risk Management and Business Continuity Officer explained that risk 0056 is classified as specific to the finance department because it has been assessed that there is a high level of pressure present for employees of that specific department. The Committee heard that the finance department requested this be included in the risk register, and that senior managers across the Council review this quarterly. The Group Finance Director provided further context on the risk, noting that classifications are a matter of judgement and can be altered. In response to Councillor Harley, The Director of Law, Governance and Strategy and the Insurance, Risk Management and Business Continuity Officer provided context surrounding the assessment of staff burnout risks across wider Council teams. It was explained that whilst the risk is universally present and assessed across the Council, it can be reflected variably through the risk registers as a result of how each team assesses it against other existing issues.

Councillor Harley queried whether it could be useful for the Committee to be provided with data comparing vacancy numbers and staffing numbers to support their understanding of recruitment and retention issues across the Council. The Director of Law, Governance and Strategy explained that this data could be made available but that it would be of limited use as there are other influencing factors which would not be highlighted through this, such as the increases in workload.

The Audit and Governance Committee **noted** the report and requested the Insurance, Risk Management and Business Continuity Officer offer some training on interpreting and assessing risk management and the risk registers for the next meeting.

55. Investigation Team Annual Report 2024-25

The Group Finance Director had submitted a report to appraise Members of the activity and performance of the Counter Fraud Team for the fiscal year 1 April 2024 to 31 March 2025.

Scott Warner, the Counter Fraud Manager, was present to respond to questions.

The Committee and Member Services Officer reminded the Committee that they would be required to enter confidential session should they wish to discuss the contents of appendix 1 to this report.

The Counter Fraud Manager provided a summary of the report, noting a mistake on page 219: the reference to 2000 delegates was amended to 200.

Councillor Munkonge praised the report and asked whether the role of the Data Manager would be made permanent. The Counter Fraud Manager noted that he would be exploring a business case to make this role permanent next year given that it has proven its value to the Council.

The Audit and Governance Committee **noted** the report.

56. 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
2025

Date: Wednesday 1 October

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