

Minutes of a meeting of the AUDIT AND GOVERNANCE COMMITTEE on Thursday 9 January 2020



Committee members:

Councillor Munkonge (Vice-Chair) Councillor Corais
Councillor Gant Councillor Rush

Officers:

Paul Adams, HR & Payroll Manager
Anita Bradley, Monitoring Officer
Lucy Cherry, Leisure and Performance Manager
Nigel Kennedy, Head of Financial Services
Bill Lewis, Financial Accounting Manager
Matthew Peachey, Economic Development Manager
Jennifer Thompson, Committee and Members Services Officer
Scott Warner, Investigation Manager

Also present:

Yasmin Ahmed (Internal Auditor), BDO Internal Auditor, BDO (Internal Auditor)
Gurpreet Dulay, Manager, BDO Internal audit, BDO Internal Auditor
Adrian Balmer (External Auditor), Ernst & Young, External Auditor (Ernst & Young)

Apologies:

Councillors Fry and Gotch sent apologies.

27. Declarations of Interest

There were no declarations.

With the consent of the Committee the Chair varied the order of the agenda to that shown in these minutes.

28. Progress with the Recruitment and Retention Action Plan

The Committee considered the report of the Head of Business Improvement setting out progress on the recruitment and retention action plan.

Paul Adams (HR and payroll manager) introduced the report and answered questions from the Committee. The Head of Law and Governance asked the Committee to consider if it was satisfied with the progress made.

The Committee noted:

- The increase in the percentage of job applications from BAME candidates and the corresponding increase in job offers: where BAME employees had left this was to increase their income or to advance their careers.

- Actions taken to attract more younger people to work for the council, including apprenticeships and work experience, to rebalance the age profile in the workforce;
- Of the apprentices taken on: 5 had not completed their apprenticeship; 5 had completed and moved on; 11 had completed and remained working for the Council including 2 in permanent posts in the Fraud team;
- Cabinet had agreed the revised aims & objectives for inclusion in Equalities Action Plan (shown in Appendix 3);
- Market supplements or other inducements were considered where services found it hard to fill specific vacancies or recruit for specific skills

The report did not include employees of Oxford Direct Services (company wholly owned by the Council). The Committee asked if Oxford Direct Services' workforce statistics and recruitment and retention plans could be included in the next update; and also information about part-time working patterns.

The Audit and Governance Committee noted the progress made on the recruitment and retention action plan; and noted the aims and objectives to be included in an updated Equalities Action Plan 2018/21.

29. Internal Audit: Follow up on recommendations from the audit of Fusion

The Committee discussed the report of the internal auditor BDO. The Fusion follow up report (discussed at this Committee on 11 March 2019) was limited on both Operational effectiveness and Design as a result the auditors carried out a separate follow-up review to ensure their recommendations were implemented. The review and recommendations focussed on meetings and communications with customers, including customer forums.

Gurpreet Dulay (BDO) introduced the report and answered questions.

Lucy Cherry (Leisure & Performance Manager) and Graham Ashby (Fusion Contract Manager) answered questions.

The Committee noted:

- There had been positive changes to the administration and focus of, and attendance at, the formal quarterly management meetings with customer reps.
- 'Meet the manager' informal sessions were held at all centres and were advertised: attendance varied but received positively and customer suggestions taken into account.
- The operation of the Leisure Partnership meetings (formal meetings between the Council client team and Fusion's contract managers)
- The recommendation on improving text alerts and follow-up messaging was marked as complete because training and new processes were in place, but BDO had not tested that this was operating as expected.
- Social media development was ongoing and teams monitored and responded to comments on their social media platforms: Fusion had changed their provided which had delayed completion of these actions.

The Leisure & Performance Manager conformed that Fusion was meeting its performance targets; and there was a positive client/contractor relationship which allowed changes and improvements to be made in partnership.

The Committee noted the report and answers to their questions.

30. Investigation Team Performance and Activity for year to 30 November 2019

The Committee considered the report of the Head of Financial Services setting out the activity and performance of the Corporate Investigation Team for the period 1 April 2019 to 30 November 2019.

Scott Warner (Counter Fraud Manager) introduced the report and answered questions. He noted that the prevented loss from Right to Buy applications was calculated using the maximum possible discount (in accordance with the now-dissolved Audit Commission's methodology).

The Committee noted the report, the comments and answers to questions.

31. Risk Management Quarterly Reporting to December 2019

The Committee discussed the report of the Head of Financial Services setting out corporate and service risks as at 30 November 2019 and the note from the Economic Development Manager on the risks to economic growth in Oxford.

Bill Lewis (Financial Accounting Manager) introduced the report and noted that a revised risk strategy would be presented to a future meeting.

Matt Peachey (Economic Development Manager) expanded on his note and answered questions.

The Committee noted:

- New local and national risk factors for economic growth including the incoming government's priorities (eg for transport and infrastructure investment).
- Community wealth building increased resilience, but as the Council had limited influence other anchor employers had to participate: with the constraint that local suppliers would eventually be unable to meet demand.
- Work with the Local Enterprise Partnership, major employers, and the university sector.
- Both the City Centre strategy and action plan and the Economic Strategy would be updated in 2020 with an aim to manage the long-term risks to economic sustainability.
- City centre retail occupancy figures were kept up to date. The loss of a large shop (such as the imminent closure of Boswells department store) had proportionately more economic impact on than the loss of a small shop.
- The economic impact of the proposed zero emission zone (ZEZ) had been assessed at the feasibility stage and showed long term positive benefit.

- The lack of employment space could be off-set by repurposing vacant retail units and upper floor space across the city as well as in the city centre.
- There was a lost opportunity to create a more vibrant city centre created by the current lack of centrally-located office space. The Local Plan would allow a more flexible approach to changes of use in the city centre.

The Committee noted the report, the comments and answers to questions.

32. Council Tax base 2020/21

The Committee considered the report of the Head of Financial Services asking that it set the Council Tax Base for 2020/21 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. Bill Lewis (Financial Accounting Manager) introduced the report.

The Audit and Governance Committee resolved that:

- a) the 2020/21 Council Tax Base for the City Council's area as a whole is set at **45,895.5** (as shown in Appendix 1 of the report)
- b) the projected level of collection is set at **98%**
- c) that the **tax bases for the Parishes, and for the Unparished Area of the City** (as shown in Appendix 2 of the report) be set as follows:
 - Unparished Area of the City 38,392.9
 - Littlemore Parish 1,804.5
 - Old Marston Parish 1,280.0
 - Risinghurst & Sandhills Parish 1,474.6
 - Blackbird Leys Parish 2,943.5
 - City Council Total 45,895.5

33. Internal Audit: Progress update Quarter 3 January 2020

The Committee discussed the report of the internal auditor BDO informing the Committee on progress against the 2019-20 audit plan.

Yasmin Ahmed (BDO) introduced the report and answered questions.

The Committee noted:

- The changes to the audit plan to March 2020 and that the 2020/21 audit plan would be presented to the next meeting;
- The opinion and recommendation from the Treasury management review and that the returns to the Council from its investments were slightly above average, operating a risk/reward strategy based on long-term low risk investments.
- The opinion and three recommendations from the Corporate performance management review considering the current (2016-2020) corporate plan.

- the number of substantial opinions issued with no limited opinions;
- the provisional 2020/21 local government funding settlement (published on 20 December) contained no surprises but there were substantial long-term risks;
- the NHS's national business rates challenge had been unsuccessful but they may appeal: if successful this would have reduced the Council's business rates income by about £13m pa.

The Committee considered the report, findings, and recommendations from the review of Events Management and noted:

- There should be a formal policy and procedures to ensure risk assessments were carried out and there were enough staff to manage events. At present there were arrangements to properly assess risks and no indication that there were any safety risks due to a shortage of appropriate staff.
- The Monitoring Officer had concerns about the events team giving advice and the possibility of inadvertently overstepping their roles or giving misleading information: she advised that there should be more input from the legal team.
- There were concerns about the Events Team's capacity to manage their responsibilities, given their commitments, and the committee wished to discuss the follow-up actions with the team's manager.

The Committee noted the report and the comments and answers to questions.

The Committee asked that the Events Team Manager attend the next meeting to discuss the audit findings and recommendations.

34. Internal Audit: Recommendation follow up Quarter 3 January 2020

The Committee discussed the report of the internal auditor BDO setting out progress on those recommendations raised by Internal Audit which are due for implementation.

Yasmin Ahmed (BDO) introduced the report and she and officers answered questions. The Committee noted the reasons for delayed progress with some recommendations: others were in progress and due to be completed before the March meeting.

The Committee noted the report and answers to questions.

35. Minutes of the previous meeting

Further to Minute 21, the Chair sought assurance from Adrian Balmer (EY) that the 2019/20 audit would be completed in time and that there would be no recurrence of the issues that led to the late completion of the 2018/19 audit. The Committee noted that mitigation would be included in the audit plan; and there was a possible national review of the achievability of the 31 July deadline given that in 2019 40% of audits nationally did not meet the deadline.

The Committee agreed to approve the minutes of the meeting held on 23 October 2019 as a true and accurate record subject to correcting a typographical error in Minute 21.

36. 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 8.10 pm

Chair

Date: Monday 9 March 2020