

## **Remote meeting**

### **Minutes of a meeting of the Audit and Governance Committee on Thursday 22 April 2021**

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#### **Committee members present:**

Councillor Fry (Chair)

Councillor Munkonge (Vice-Chair)

Councillor Corais

Councillor Gotch

Councillor Kennedy

Councillor Tanner

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

Nigel Kennedy, Head of Financial Services

Bill Lewis, Financial Accounting Manager

Susan Sale, Monitoring Officer and Head of Law & Governance

Jennifer Thompson, Committee and Members Services Officer

Anna Winship, Management Accountancy Manager

#### **Also present:**

Gurpreet Dulay, (Internal Auditor), BDO

Greg Rubins, (Internal Auditor), BDO

Adrian Balmer (External Auditor), EY

Maria Grindley (External Auditor), EY

#### **Apologies:**

No apologies were received

### **32. Declarations of Interest**

None

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

The Committee agreed to approve the minutes of the meeting held on 14 January 2021 as a true and accurate record.

### **34. Results of Internal Audit Tendering Exercise**

The Committee considered the report of the Head of Financial Services setting out the Internal Audit tender process and result.

The Committee noted with approval the appointment of BDO LLP as the Internal Auditors for Oxford City Council, and for ODSL and OCHL, for a period of 3 years commencing on 1 April 2021 until 31 March 2024 with the option to increase for one further year until 31 March 2025.

### **35. Lessons learned from Public Interest Reports in relation to Robin Hood Energy Ltd and Croydon Council**

The Committee considered a report from the Head of Financial Services and the Head of Law and Governance reviewing the recommendations from the auditor on the Public Interest reports issued to Nottingham City Council on Robin Hood Energy Ltd and to London Borough of Croydon in relation to this Council's financial position and related governance arrangements, and the Ministry of Housing, Communities and Local Government report on cultural failings in local authorities where intervention has taken place.

In discussion, the Committee noted

- the necessity for both members and officers to be alert to the early signs of potential problems;
- the relationships between the Council and its wholly owned and joint venture companies must remain close and appropriately balanced
- councillors should be offered sufficient training in all aspects of local authority finance and audit to allow them to be effective in their roles, and should be encouraged to take part in the training, and in the scrutiny of the Council's decisions and company oversight.
- to avoid the pressure of excessive workloads resulting in loss of strategic oversight, there should be sufficient support for senior officers taking on additional duties in respect of the companies, and there should not be over-reliance on a few key staff.

**The Committee noted and commended the recommendations for changes in arrangements in relation to companies and joint ventures within Oxford City Council set out in the report and appendix.**

### **36. Part 2: Exempt business**

The Committee resolved to exclude the press and the public from the meeting during consideration of the following item in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 under the provisions of paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972. Their presence could involve the likely disclosure of exempt information as described in that paragraphs of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### **37. Internal Audit Report: Companies Oversight April 2021**

*This item was taken in confidential session.*

The Committee discussed the report of the Internal Auditor informing the Committee on the outcome of the review into the oversight of the Council's companies and joint ventures. The Internal Auditor, the Heads of Financial Services and Law and Governance and the Managing Director of ODS answered questions from committee members.

**The Committee noted the findings of the audit, the recommendations, and the management responses to these.**

### **38. External Audit: draft audit plan for 2020/21 annual accounts**

*The meeting moved back into public session.*

The Committee considered the draft Audit Plan and the proposed audit approach and scope for the 2020/21 audit presented by the External Auditor (EY).

The Committee noted

- noted the auditor's plan to consider new areas in the scope of the audit:
  - Covid support grants: variety of grant schemes, accounting arrangements, high monetary value and high volume;
  - Additional Revenue Support Grant of £5m to offset Covid-related losses and costs;
- noted risks to the timetable in consolidating company accounts and the dovetailing of company audits with the Council's audit plan;
- asked for consideration of the Council's financial resilience and likely recovery of lost income;
- noted the assurance, with caveats, that the audit could be completed on time and that the Statement of Accounts and annual audit report should be presented to the Committee at the meeting on 29 September, in advance of the end of September deadline.

**The Committee agreed the External Audit audit plan noting the discussion summarised above.**

### **39. Internal Audit Progress report - Quarter 4 April 2021**

The Committee considered the report on progress against the Internal Audit plan and discussed and noted the recommendations arising from the reviews of Planning Services and Channel Shift, and discussed the sector update. They noted that the rescheduling of Audit 5: Environment to Q3 in 2021/22, and sought assurance would be adequately resourced and supported.

The Committee noted that the Internal Audit Plan for 2021-22 would be circulated separately and were content for the Chair to provisionally approve the plan on behalf of the committee, subject to ratification at the next meeting.

**The Committee agreed to note the progress report.**

#### **40. Internal Audit: Recommendations tracker and follow up – Quarter 4 April 2021**

The Committee considered the report on progress on implementing Internal Audit recommendations, and noted where implementation was either completed or in progress. .

**The Committee agreed to note the report.**

#### **41. CIPFA Financial Code**

The Head of Financial Services gave an update on the Chartered Institute of Public Finance & Accountancy (CIPFA) Financial Management Code 2019 (FM Code), which sets out for the first time the standards of financial management for local authorities. Full compliance with the FM Code will commence from 1 April 2021.

**The Committee noted the update and that a report on the implementation of the FM Code would be presented at the next meeting.**

#### **42. Dates and times of meetings**

The Committee noted the dates and times of future meetings and agreed to hold an additional meeting on 29 September 2021.

**The meeting started at 6.00 pm and ended at 7.40 pm**

Chair .....

**Date: Thursday 29 July 2021**

*When decisions take effect: immediately.  
Details are in the Council's Constitution.*