

## **Minutes of a meeting of the Audit and Governance Committee on Wednesday 27 July 2022**

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### **Committee members present:**

Councillor Fry

Councillor Hall

Councillor Jarvis

Councillor Latif

Councillor Roz Smith

Councillor Aziz (as substitute for Cllr Corais)

Councillor Pressel (as substitute for Cllr Munkonge)

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

Nigel Kennedy, Head of Financial Services

Bill Lewis, Financial Accounting Manager (remote attendance)

Marcia Ecclestone, Legal Services Manager

Scott Warner, Counter Fraud Manager

Mish Tullar, Head of Corporate Strategy

Rose Dickinson, Carbon Reduction Team Manager

Jason Pickering, Welfare Reform Manager (remote attendance)

### **Apologies:**

Apologies were received from Councillors Corais and Munkonge.

Substitutes are shown above.

### **1. Election of Chair for 2022/23**

The Committee resolved to elect Cllr James Fry as Chair for the 2022/23 Council year.

### **2. Election of Vice-Chair for 2022/23**

The Committee resolved to elect Cllr Amar Latif as Vice Chair for the 2022/23 Council year.

### **3. Declarations of Interest**

There were no declarations of interest received.

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

The Committee agreed to approve the minutes of the meeting held on 11 April 2022 as a true and accurate record.

## **5. Investigation Team Annual Report 2021 - 2022**

Scott Warner, Counter Fraud Manager, introduced the report which appraised Members of the activity and performance of the Counter Fraud Team for the fiscal year 1 April 2021 to 31 March 2022 and highlighted the following:

- Three of the five performance targets were not met, mainly due to the pandemic and governments restrictions thereof.
- The team excelled in protecting public funds over the year in the gains made in enhanced due diligence and verification checks on all Covid grant applications.
- The team hosted its sixth annual fraud conference at the Town Hall, raising awareness of the services the Investigations Team offers in a commercial capacity as the Oxford Investigation Service.
- The team secured the highest ever value Unlawful Profit Order with their work with Riverside Housing.
- The value of prevented fraud losses, additional revenue identified as well as income from external trade amounted to £6,811,214 in the financial year 2021-2022.

*Cllr Pressel left the meeting.*

*Cllr Latif joined the meeting.*

Scott Warner responded to questions from Members as follows:

- The figures reported above are for Oxford City Council, the shared service arrangements are resilience arrangements providing resources dependent on need and are detailed in the report.
- The data for the number of fraudulent Covid Business Support grant scheme applications is currently being processed as part of returns supplied to the government and can be supplied to the Committee at a later date.

**The Committee noted the report.**

## **6. Risk Management Report: Quarter 1 30 June 2022**

Bill Lewis, Financial Accounting Manager introduced the report which updated the Committee on both corporate and service risks as at 30 June 2022 and answered Members' questions as follows:

- Whilst there is limited control over national or international factors adversely affecting economic growth, the Council is able to affect this risk through the delivery of the Economic Strategy & City Centre Vision Action Plan, however a recession would be outside of this control mechanism.
- The Council would seek to mitigate the risk of a potential terrorist incident by working with partners, particularly the Police and County Council on the Crowded Places Plan, which includes mitigation interventions to reduce the impact.
- Whilst the negative impacts of climate change presented in the report do not include the impact on housing standards and transport, it was noted that the impact of climate change and zero carbon could be an additional issue and will report back to the corporate risk register owner.
- There are a number of amber risks identified in the report, and whilst these are not reported to the Committee as they sit with the Heads of Service, further details of significant amber risks would be included in the next report.

- Members requested further information within the registers that would identify amber risks that are veering towards a red rated risk.

In response to a question from the Committee, Nigel Kennedy, Head of Finance, confirmed that a report on the consultant's review of the QL system would be tabled at a future Committee.

**The Committee noted the report.**

## **7. External Audit Planning Report 2021-22**

Francesca Churchhouse, Assistant Manager of Ernst & Young, introduced their report which set out how the external auditors intend to carry out their responsibilities as external auditors to Oxford City Council. The purpose of the report intended to provide the Committee with the basis to review the audit approach and scope for the 2021/2022 audit and ensure it was aligned with the Committee's service expectations. The plan summarised the initial assessment of key risks and outlined the planned audit strategy in response to those risks.

Francesca Churchhouse and Nigel Kennedy, Head of Finance, responded to Members' questions as follows:

- The delay to the audit timeline was due to the issues with the QL system and a full report from the consultants would come to this Committee.
- Regarding the MRP, Nigel Kennedy confirmed that due to the Council's proactive position in speaking to and lobbying both the LGA and DELAC, the Council was now in a better financial position since the consultation was launched.
- Following the CIPFA guidance on Independent Person representation on Audit and Governance Committees in Local Authorities, further guidance would be sought by the external auditors.

**The Committee noted the report.**

## **8. Internal Audit Annual Report 2021-22**

Greg Rubins, Internal Auditor, BDO presented the report which informed the Committee of the details of the work undertaken by internal audit for Oxford City Council and provided an overview of the effectiveness of the controls in place for the full year, and highlighted the following:

- Moderate assurance had been awarded overall, and seven out of the eight reports have received either a substantial or moderate assurance.
- Summary reports regarding the Council's subsidiary companies will be brought to the next committee meeting.

**The Committee noted the report.**

## **9. Internal Audit: Progress Report July 2022**

Greg Rubins, Internal Auditor BDO, introduced the report which informed the Committee on the progress made against the internal audit work plan and on the outcome of their reviews. He added that the report included a summary of 2021/2022 audits and a scope of the audits to be presented to the next Committee meeting.

Greg Rubins, Mish Tullar, Head of Corporate Strategy and Rose Dickinson, Carbon Reduction Team Manager, responded to Members' queries as follows:

- An updated Zero Carbon action plan would be produced based on recommendations from the internal audit, and a progress report provided at the next Committee meeting.
- Deadlines that have been pushed back due to staff capacity had been addressed and would be updated for this report at the next Committee meeting.

**The Committee noted the report.**

## **10. Internal Audit Follow Up Report 2022**

Greg Rubins, Internal Auditor, BDO introduced the report which informed the Committee on the implementation of the recommendations from their previous internal audit reviews.

Greg Rubins advised that following the outcome of the Redmond Review, Audit and Governance Committees had been advised to appoint an Independent Person to Committees and would provide further information to the next Committee meeting following updated advice from the government.

**The Committee noted the report.**

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

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 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.

## **12. Private Rented Sector internal audit**

Greg Rubins, Internal Auditor, BDO presented the internal audit report and recommendations thereof.

**The Committee noted the report.**

## **13. Exempt Appendix 2: Internal Investigation**

## **14. 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 7.30 pm**

Chair .....  
September 2022

**Date: Wednesday 28**

*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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