

Minutes of a meeting of the Audit and Governance Committee on Wednesday 2 April 2025

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Committee members present:

Councillor Fry (Chair)

Councillor Railton

Councillor Roz Smith

Councillor Harley

Councillor Ottino

Councillor Powell

Officers present for all or part of the meeting:

Nigel Kennedy, Group Finance Director

Bill Lewis, Financial Accounting Manager

Andrew Brittain External Auditor (Ernst & Young)

Yasmin Ahmed Internal Auditor (BDO)

Emma Jackman, Director of Law, Governance and Strategy

Roger Martin, Insurance, Risk Management and Business Continuity Officer

Phil McGaskill, Revenues Manager

Nerys Parry, Director of Housing

Richard Wood, Housing Strategy and Needs Manager

Toni Henderson, Corporate Fire Safety Manager

Josie Woodward, Internal Auditor (BDO)

Alex Russell, Internal Auditor (BDO)

Hannah Carmody-Brown, Committee and Member Services Officer

Apologies:

The Chair notified the Committee of Councillor Coyne's resignation and noted that the Committee would seek a replacement from the same group. No substitute was available to attend this meeting.

33. Declarations of Interest

None.

34. Risk Management Update

Nigel Kennedy, Group Finance Director, and Roger Martin, Insurance, Risk Management and Business Continuity Manager, were present to answer questions.

Councillor Harley sought clarification regarding the headings on point 14 of page 10 of the report, to which the Insurance, Risk Management and Business Continuity Manager explained that this was caused by a six-month gap in reporting during 2024 when a report did not go to the Committee.

Councillor Smith and Councillor Railton joined the meeting.

The Chair invited the Insurance, Risk Management and Business Continuity Manager to summarise the report.

The Insurance, Risk Management and Business Continuity Officer reminded the Committee that prior to the document enclosed in appendix 1, the risk management strategy and toolkit had not been updated since 2023. The report defines risks as that which may jeopardise the achievements of the Council's priorities and provides the services identified in its business plans and delivery of statutory duties. The Committee understood that the report outlined the roles and responsibilities of those within the Council, it divided risks into categories, and it analysed the Council's risk appetite through classifications of low, medium and high. The Insurance, Risk Management and Business Continuity Manager noted that the Corporate Leadership Team had approved the contents of the report. In regards the Corporate Risk Register, the Committee also heard that a review is ongoing to ensure the correct identification and assessment of risks in relation to areas such as financial sustainability, civil emergency response planning, and devolution. The outcome of this review is expected at the next meeting of the Committee. Finally, the Insurance, Risk Management and Business Continuity Manager noted the contents of the service risk register.

The Chair thanked the Insurance, Risk Management and Business Continuity Manager and invited questions from the Committee.

Councillor Ottino asked several questions:

- Whether more information on the origins and history of the red risks noted on page 10 of the report could be provided to support the Committee's understanding.
- Whether clarification could be provided around the definitions of the risk categories noted on page 32, and how officers determine these.
- Whether distinction could be made between 'local' and 'regional' media in the consideration of the adverse publicity risk on page 34.

The Insurance, Risk Management and Business Continuity Manager clarified that within the service risk register, risks currently identified as red have remained so since the previous report, however a review is expected shortly, at the request of the Risk Management Group. The Committee therefore understood that these categorisations may change. In response to Councillor Ottino, it was explained that a scoring system based on percentages is utilised to assess the probabilities of risks occurring by

officers, however the Insurance, Risk Management and Business Continuity Manager agreed that this can be a challenging matter to assess and committed to reflecting on the terminology used. Finally, in regards the adverse publicity risk noted on page 34, the Committee learned that the differentiation between local and regional media is not strictly defined, but examples were provided to demonstrate the commonly accepted differences.

Councillor Ottino noted that the table of risks is challenging to read and requested that it be presented in a clearer manner, for example, themed by areas of the Council. It was also asked whether the table was up to date and reviewed adequately as it contains risks dated from 2011; Councillor Smith supported this concern.

The Insurance, Risk Management and Business Continuity Manager explained that the risk register is entering the process of review. The Group Finance Director acknowledged the concerns raised and explained that the Risk Management Group regularly reviews the register and has deemed many of the historic risks to still be relevant to ongoing matters, such as Brexit.

Councillor Smith emphasised the importance of treasury management for Councils, specifically linking it to the context of Oxford City as reason to maintain it as a high priority within the risk register. The Group Finance Director agreed.

Councillor Smith requested that the Committee be given a more up to date risk register to review at the next meeting of the Committee.

The Chair noted that it would be helpful for the Committee to understand which risks can be managed, and which are generic. It was therefore requested that information on how other Councils compile risk registers and assess longer term risks be provided. It was noted that the Committee may be more reassured if they could understand how judgment and risk probability are approached in other regional contexts. The Committee discussed a range of specific risks linked to the context of Oxford City and Councillor Smith noted that it could be hard to provide a benchmark understanding as all Councils will be subject to different local risk contexts but requested whether an understanding of benchmark for finances could be explained. The Group Finance Director considered the examples of Cambridge and Watford as potentially comparable examples based on demographics; the Chair suggested that this information be brought back at the next meeting of the Committee.

Councillor Smith queried why text relating to the development of future programmes and staff retention is emphasised in italics within the report and requested information regarding the consideration of staffing within the ongoing work. The Group Finance Director confirmed that the fit for the future programme is continuing under the latest Council objectives and will be reported to the Organisation Change Board, chaired by a Deputy Chief Executive. The use of italics in the report was not noted as significant.

The Chair invited the Committee to consider recommendations.

The Committee recommended:

- That comparative information on how risk registers are defined, assessed, and constructed at comparable local authorities be provided for the Committee to review at the next meeting.

The Committee:

- **Noted** the outcome of the review of the Risk Management Strategy and Toolkit, indicating that they are satisfied with the risk management process and approve it.
- **Noted** the review of the Corporate Risk Register being undertaken by the Corporate Leadership Team and risk owners and receive the risk register for review at its next meeting in order that it can be satisfied that corporate risks are identified and managed.
- **Reviewed** the Service Risk Register.

35. Internal Audit Progress Report (BDO)

Yasmin Ahmed, Internal Auditor from BDO, and Josie Woodward, Internal Auditor from BDO, Nerys Parry, Director of Housing, Richard Wood, Housing Needs and Strategy Manager, and Toni Henderson, Corporate Fire Safety Manager, were present to respond to questions.

The Internal Auditor (YA) introduced the contents of the report, noting who would present each item. The Committee were informed that satisfactory progress had been made on the 2024/25 Internal Audit Plan, noting the completion of the Homeless Prevention report, Data Protection report, and Fire Risk Assessments. It was explained that the QL Optimisation review, the Affordable Housing Project Management Report, and Data Analytics Report were in progress. The Committee also understood that an Income Generation Review is due to start in April and that all reports would be presented to the Committee at the next meeting.

The Committee acknowledged the progress update.

The Internal Auditor (YA) presented the Homelessness Prevention Report which focused on the design and effectiveness of the arrangements the Council has in place to support homelessness and secure accommodation in line with the Homelessness Reduction Act 2017.

The Committee heard the headline findings of the report:

- In regards housing subsidy, the Council recovered 27% of temporary accommodation costs due to Housing Benefit subsidy rules resulting in a £1.3m

deficit over the last 5 years. There is also £112,000 of rental arrears which are unlikely to be recovered due to a surge in homelessness applications. Information regarding this was detailed.

- The Councils target of 21 days to complete personal housing plans to support the placement of homeless persons in temporary accommodation has experienced delays; delays of up to 74 days were noted.
- The Council has historically not held any formal contractual arrangements with hotel providers for temporary accommodation; it has relied on basic booking terms and informal agreements. There is now a temporary accommodation framework in place which the Council is required to tender against.

The Housing Needs and Strategy Manager thanked the Internal Auditor (YA) and summarised the Council's response to the findings. The Committee heard that during the reporting period the Council experienced a high increase in demand for homelessness support which resulted in a large increase in number of people in nightly charge accommodation with very short notice. As a result, urgent procedures were developed, as noted in the report. The Housing Needs and Strategy Manager detailed the collaborative links between the Housing Benefit and Housing Need teams which have improved following the introduction of new processes such as auto-reporting. In regards hotel placements, the Committee was informed of the difficulties of ensuring housing benefit claims are submitted when organising late night placements with little information from homeless persons. Staffing levels and training have been addressed to support delays with response times in line with the new procurement framework. Finally, the Committee heard how tendering relationships with hotels have been improved, and details of the longer-term larger scale bookings which have been implemented following Cabinet approval.

The Chair thanked officers and invited the Committee to ask questions.

Councillor Smith queried the reasons for the spike in claimants of homelessness. The Housing Needs and Strategy Manager noted that Oxford City's experience has been in line with national trends, especially in the southeast of England, and is linked to a large number of evictions from the private rented sector due to rental inflation costs sitting above benefit rates and a high number of friends and family evictions. The Committee also heard that new households are struggling to form in the city, adults are experiencing difficulties with moving out and finding new accommodation, and the local impact of evictions Home Office Hotel in Oxford which houses single adults of refugee and asylum status.

Councillor Ottino queried the difficulties experienced with claiming back housing benefit and the barriers to this. The Housing Needs and Strategy Manager explained that the nature of housing homeless people provided significant barriers to claiming Housing Benefit. The Council has a legal duty to accommodate them regardless of whether they claim Housing Benefit or not, and even with support, many struggle to provide the required information to successfully make a claim. It was also noted that some also choose not to engage with support before moving on after short periods.

Councillor Ottino queried the pressures on local hotels and the possible effects on the placement of homeless persons further distances from the city centre. It was asked whether this impacts upon the Council's monitoring and data collection abilities to which the Housing Needs and Strategy Manager noted that distance is not a significant issue. It was explained that people often accept interim accommodation until options are assessed, and the Council maintains regular contact with hotel providers to obtain required information. On some occasions, Council officers also attend hotels to make first hand assessments. Through the new procurement framework, providers will be required to report non-usage of hotel rooms to the Council. The Housing Needs and Strategy Manager also explained that the issues with claiming back housing benefit on hotel rooms comes when claimants only stay for short periods of time, and the application process for payment exceeds this. In these instances, the required information for the claim cannot be obtained and the Council absorbs the cost.

The Chair noted that the issue of failure to collect housing benefits and arrears on rentals seems to be persistent; it was therefore asked whether this is accounted for within the Council's budget forecasts. The Group Finance Director confirmed that it is, explaining that a net cost of benefit consideration allows scope for 100% of subsidy on benefit expenditure to be made. Detail was provided on this.

The Chair queried whether the deadline of June 2025 for the recommendations of the report to be implemented was realistic, to which the Housing Needs and Strategy Manager noted that many of the recommendations have already been implemented. The Internal Auditor (YA) clarified that it is usual for recommendations to be actioned within 3 months. The Committee understood that progress would be assessed in June and any required follow up would occur with officers.

Councillor Powell queried the amount of housing benefit recovery being received and requested comparable information on this from other local authorities. The Internal Auditor (YA) committed to bringing this information to the next meeting.

Councillor Smith sought clarification on the debt previously noted, to which the Group Finance Director explained that the net cost of benefits is the difference between the subsidy received from government and the Council's expenditure. A request for comparisons with other Councils on this amount was made; the Internal Auditor (YA) committed to providing relevant information at the next meeting.

The Internal Auditor (JW) presented the Fire Risk Assessment Report which assessed six contractors that perform risk assessments for the Council. The Committee heard the main findings of the report:

- Requirement for improvement in the onboarding of fire risk assessors was identified in relation to due diligence and levels of competency under legislation. One of the six contractors demonstrated insufficient levels of competency and the evidence for this was detailed from the report.

- No issues were identified with the quality of fire risk assessments being undertaken.
- Recent changes to legislation were explained and the actions being taken by management to update actions in response were detailed.

The Chair invited the Corporate Fire Safety Manager to respond, noting that the deadline for implementation of recommendations had passed.

The Corporate Fire Safety Manager confirmed that implementation of the recommendations had already occurred and informed the Committee that 3 qualified fire risk assessors have been employed in the last two months. It was also explained that work is ongoing to assess all risk assessments from 2024 in efforts to identify any requirements for review. The Committee was assured that risk profiling would be conducted across the whole portfolio, now under the responsibility of the three new assessors who are designated a geographic zone of the city each.

The Chair queried whether the employment of the three internal assessors will be permanent. The Corporate Fire Safety Manager noted that the intention is to keep the new assessors on and maintain in-house provisions for fire risk assessments to encourage financial savings. The Committee understood that this should address the issues identified in the audit by removing anomalies caused by different contractors.

Councillor Smith thanked the Internal Auditor (JW) and congratulated the Corporate Fire Safety Manager on the work achieved since joining the Council recently.

Councillor Ottino noted concerns around Bright Heat from the report and sought to clarify that the Council no longer uses this company. The Corporate Fire Safety Manager confirmed this.

The Committee **noted** the report.

The Internal Auditor (JW), the Corporate Fire Safety Manager, The Director of Housing and the Housing Needs and Strategy Manager left the meeting.

36. Data Protection Report (BDO)

Alex Russell, Internal Auditor from BDO, and Emma Jackman, The Director of Law, Governance, and Strategy, were present to respond to questions.

The Internal Auditor (AR) explained that the report focused on 4 areas when assessing how the Council complies with UK GDPR requirements including policies and procedures, staff roles and responsibilities, records of processing activities, responses

to subject rights requests, and third-party data sharing. Further detail on each category was provided to the Committee and the following key findings were highlighted:

- Gaps in the Council's record of processing activities were identified.
- Retention schedules were allocated a medium risk rating as there had not been a review since July 2021.
- Statistics for completion of data protection training amongst Council staff were not sufficient but a new HR system is being implemented to monitor this more effectively.
- Only 42 of the 114 entries relating to third-party data sharing were demonstrated to have equivocal data sharing agreements; some of these records were not sufficiently maintained.
- Gaps in data privacy impact assessments were identified.

The Chair invited the Director of Law Governance, and Strategy to respond.

The Director of Law, Governance, and Strategy informed the Committee that internal audits of service areas are being conducted by the Information Governance team to assess how data protection is audited within the Council; this has identified the need for the actions as outlined in the BDO audit and therefore were already in scope to be addressed and reported to the Corporate Management Team. The Committee were provided information regarding the data protection team, which has only one dedicated officer responsible for managing data protection measures and highlighted that the team had been focusing on dealing with ICO concerns in relation to FOIA, which were now performing strongly. As a result, attention is turning to data protection and the implementation of the report's recommendations.

In regards the record of processing activities, Councillor Harley questioned the concept of consent and anonymisation of data, asking what the Council does to ensure this is applied when necessary. The Director of Law, Governance, and Strategy noted that actions depend on the nature of, and purpose of the information held but provided several examples to demonstrate the protection of data between departments and the use of data protection notices. It was also confirmed that personal data is anonymised when appropriate in a manner which would prohibit an individual to be identified, unless for example it is a necessary condition of reporting to central government.

The Chair referred to pressures noted around FOIs in the management response when asking whether there have been accommodations made within the Council's budget to appoint additional staff to support data protection responsibilities. The Director of Law, Governance, and Strategy informed that Committee of current issues with staff availability and assured members that considerations are being made around hiring, especially in the context of a recent spike in FOI requests.

Councillor Smith referred to the management response's commitment to reviewing all audits and asked whether the report noted for March 2025 had been delivered. The

Director of Law, Governance, and Strategy explained that this had been delayed and expressed hopes that the agreement for new processes and procedures would go to CMT in time for May. The Committee also heard some examples of the proposed actions relating to data sharing agreements and training. Councillor Smith requested that the Committee be provided a diagram or summary of these actions to support their understanding at the next meeting. The Director of Law, Governance, and Strategy committed to providing this.

The Committee **noted** the report.

The Internal Auditor (AR) left the meeting.

37. Internal Audit Follow Up report (BDO)

The Internal Auditor (YA) and Philip McGaskill, Revenues Service Delivery Manager, were present to respond to questions.

The Internal Auditor (YA) summarised the report for the Committee, noting that recommendations from the 2023/25 plan relating to recruitment and retention are still in progress. In regards Data Analytics, one recommendation is also still in progress in connection with purchase card transactions which is being monitored and reviewed regularly. Recommendations linked to Income Generation and Building Control have both experienced delayed deadlines but are due for implementation in June 2025. Three recommendations relating to accounts payable are in progress, with a revised due date of April 2025. Finally, a collection of recommendations regarding Data Protection are upcoming. The Internal Auditor (YA) also reassured the Committee that reviews will be conducted for Homelessness Prevention and Data Protection, alongside the ongoing review for Fire Risk Assessments. The Committee understood that further updates would be provided at the next meeting.

The Revenues Service Delivery Manager responded to the report and informed the Committee that as of the day prior to this meeting, issues with the reporting module which had been preventing the reporting of KPIs, had been fixed. As a result, the Committee were assured that from 1 April 2025, monthly reporting of control figures would be possible. In regards Council spending on credit cards, the Revenues Service Delivery Manager explained the delays behind rectifying the issue, noting that ongoing steps were being taken to implement new processes for approvers and addressing historic transactions. It is expected that this matter should be resolved by the next meeting of the Committee.

The Chair commented on the issue of cardholders not always being aware of relevant pin numbers, to which the Revenues Service Delivery Manager explained that each case is individual which adds complexity and elongates the process of resolving the matter.

Councillor Smith questioned whether the choice of staff to physically cut up old cards could be constituted as a form of fraud. The Revenues Service Delivery Manager explained that this is occurring when a member of staff no longer believes they need the card, or it has expired. The Internal Auditor (YA) clarified that this is not linked to fraud but any actions which constitute spending against Council policy would be. The Internal Auditor (YA) and the Revenues Service Delivery Manager confirmed that they have not identified any record of suspicious activity or fraud in relation to the cards after talking to relevant manager and checking records; therefore, they do not assess there to be a risk of fraud.

The Committee **noted** the report.

The Revenues Service Delivery Manager left the meeting.

38. Internal Audit Annual Plan for 2025-26 and Strategic Plan for 2025-28 (BDO)

The Internal Auditor (YA) was present to respond to questions.

The Internal Auditor (YA) summarised the report to the Committee, noting that the Internal Audit Plan for 2025-26 has been developed following meetings with the operational delivery group, consisting of all heads of service within the Council, and the Council's trading company representatives (ODS and OX Place). The Committee heard that a more collaborative approach will be taken in the future to develop more thematic reports to avoid the duplication of any work across multiple audit plans. A roles and responsibilities document will be developed to outline these workstreams. The Internal Auditor (YA) assured the Committee that the plan is flexible and will be continually reviewed.

Councillor Smith sought to clarify that there would be a joint internal audit with ODS, to which the Internal Auditor (YA) explained that the decision had been made, with the Group Finance Director and ODS lead, that more collaborative working would be preferable. The Group Finance Director noted the benefits of this approach which included avoidance of duplicated work and ease of payment systems assessments within the end-to-end processes shared between the Council and ODS.

In regards the Strategic Plan, the Chair asked whether recruitment and retention is a focus which could be addressed sooner. The Internal Auditor (YA) noted that the issue was last discussed within the 2023/24 work plan and the recommendations from that period are still being followed up on. As such, it is too soon to pursue a review in 2025/26.

The Chair also asked whether considerations of local government reorganisation should be factored into the work programme to which the Internal Auditor (YA) reiterated that the programme is under constant review, and emerging risks could be

integrated once more guidance is available. The Group Finance Director informed the Committee that further information on local government reorganisation would not be available until November, by which time it may be too late to amend the audit plan.

The Committee **noted** the report.

The Chair thanked the Internal Auditor (YA) for the multiple reports submitted to this meeting.

39. Oxford City Council & Group Audit results report (Year ended 31 March 2024)

Andrew Brittain, External Auditor from EY, and Bill Lewis, Financial Accounting Manager, were present to respond to questions.

The External Auditor summarised the report as a public facing document required under the NAO Audit Code to outline the results of the audit work for the 2023-24 year. The Committee understood that the audit opinion within the report was signed prior to the back stop date required by government legislation at the end of February, and that the report also contains value for money commentary and conclusions.

The Chair invited the Committee to ask questions.

The Chair referred to page 128 of the report which stated that there was a delay caused by Oxford City Council data availability and queried the context of this. The External Auditor explained that delays in accessing information relating to investment properties impacted upon the audit opinion and the Financial Accounting Manager explained that due the amount of data samples required, Council officers were required to gather source data from archives which was an extensive task.

The Chair also asked, in regards financial sustainability noted on page 147, whether the largest risk affecting the Council in 2023/24 was the ratio of Council tax income as a proportion of net expenditure. The External Auditor confirmed that this was the largest risk in the context of financial sustainability, but not necessarily overall.

The Chair clarified a point on page 167 with the Financial Account Manager regarding materiality levels. These are relatively low due to the current position on the accounts with prior years being disclaimed following the implementation of the process to catch up with external audits.

The Committee **noted** the report.

The External Auditor left the meeting.

40. Minutes of the previous meeting

The Committee **approved** the minutes of the meeting on 20 January 2025 as a true and accurate record.

41. Dates and times of meetings

The Committee **noted** the dates of future meetings.

The meeting started at 6.02 pm and ended at 8.02 pm

Chair
2025

Date: Wednesday 23 July

When decisions take effect:

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Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

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