

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
Audit and General Purposes Committee
Held in the Council Chamber at 6.00 pm on **Thursday, 17 February 2022**

PRESENT

Councillors: Alex Postan (Chairman), Dan Levy (Vice-Chair), Joy Aitman, Councillor Andrew Beaney, Julian Cooper, Rupert Dent, Colin Dingwall, Harry Eaglestone, Gill Hill, Richard Langridge, Martin McBride and Elizabeth Poskitt.

Officers: Elizabeth Griffiths (Chief Finance Officer, Deputy Chief Executive and Section 151 Officer), Lucy Cater (SWAP), Anne Learmonth (Strategic Support Officer) and Amy Bridgewater-Carnall (Democratic Services Manager).

27 Minutes of Previous Meeting

The minutes of the meeting held on 24 November 2022 were approved and signed by the Chairman as a correct record.

28 Apologies for Absence

Apologies for absence were received from Councillors Jake Acock, Duncan Enright and Alex Wilson.

29 Declarations of Interest

There were no declarations of interest received.

30 Participation of the Public

There was none.

31 External Audit Contract

Members received a report from the Section 151 Officer which asked them to consider the options for procuring the Council's external audit services for the period from 2023/24 and to make a recommendation to Council.

The report advised that the process for re-tendering for External Audit in Local Authorities in England, for contracts due to start from 2023/24, was now underway and the Council needed to decide whether to procure its own External Auditor or opt into the National Procurement Framework.

The procurement process and contract management presented an administrative burden to the Council, however, this was currently performed by PSAA. PSAA has now built up considerable expertise and has been working hard to address the issue that has arisen with the Contracts over the last couple of years. The PSAA Prospectus is included at Annex A and included a proposed timescale for the procurement which was due to commence in February 2022 and award contracts in August 2022.

An alternative option was that the Council could procure its own contract for External Audit services. However, this option lacked the benefits of economies of scale offered by the PSAA route and crystallises the risks in the External Audit market as set out in paragraphs 1.4 to 1.6 of the report.

The Chief Finance Officer introduced the report and advised that it was the framework agreement that was up for renewal. West Oxfordshire District Council would retain the

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service from Grant Thornton for another year and having spoken to other S151 officers, many authorities were struggling with their external audit service.

Mrs Griffiths reiterated the difficulties experienced in finishing the audits, citing Covid, staff sickness and shortages at Grant Thornton as the main issues. This had resulted in replacement officers approaching Council officers for further information, despite assurances that they were nearing the end of their enquiries. This had added to the pressure on Council officers.

Members discussed the potential pitfalls of procuring a contract outside of PSAA, which could involve greater scrutiny, officer time and money in the long run. In response to a query from Councillor Dent, Mrs Griffiths could not say for definite which firms were on the PSAA list but thought it would probably include Grant Thornton.

Councillor McBride noted the instability of the sector nationally and felt it would be beneficial to stay with the stability of PSAA.

Councillor Cooper queried if Grant Thornton's delay in finishing the audit of the accounts would result in reduction in costs for the Council. He also asked if the LGA had done anything with government departments to address the issue. In response to his query relating to the Council working with bordering authorities such as Warwickshire, officers advised that Warwick District had also agreed to continue with PSAA and had not procured their own contracts.

Mrs Griffiths felt that the fee set by Grant Thornton originally had likely been surpassed a while ago, considering the level of work and length of time it had taken to progress the audit.

The Chairman suggested that the Committee write to the LGA expressing their concerns and asking if they could progress the issue.

Having considered the report, and having discussed the options with the officers present, the Committee

Resolved that

- a) the options for procuring the Council's external audit service for the period from 2023/24 are noted; and
- b) Recommends to Council procurement through the National Procurement Framework using Public Sector Audit Appointments Ltd.

32 Annual Governance Statement - Action Plan

Members received a report from the Chief Executive which presented an update on the Governance Action Plan for 2021/22.

Members were asked to note progress against items in the Governance Action Plan for 2021/22.

The Committee discussed various aspects of the report along with the presentation or progress. Councillor Levy queried if the document covered everything and asked if there were any other 'unknowns'. Officers confirmed that service areas and Management Teams questioned and flagged issues during the Risk Register process. This meant that operational risks flowed upwards to a strategic level.

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Councillor Postan felt that the flow of information to Publica was not as flexible as it could be. He outlined the issue of the responsibility of a recent flooding report falling to one individual.

The issue of how Publica operated and how this was communicated to Members was raised, and whether responsibility sat with the Leader to disseminate the information. The Chief Finance Officer highlighted the Group Leader meeting where information was passed on and the new process which involved bi-monthly meetings where risks and issues were raised and managers could feed back any blockers.

Following a suggestion from the Chairman, it was highlighted that political attendance at operational officer meetings was not appropriate but Members could encourage Cabinet to look at the communication methods currently being used.

Councillor Cooper reiterated his concerns in relation to the set up and communication involved with Ubico.

In summary, it was noted that Cabinet should be more involved in the flow of communication between Publica and Members, and vice versa.

Resolved that progress against items in the Governance Action Plan for 2021/22 is noted.

33 Corporate Risk Register Updates and Updated Risk and Opportunity Management Strategy

The Committee received a report from the Chief Executive which updated Members on the changes to the Council's corporate risk register at the end of Quarter Two of 2020/21 and put before them a revised Risk and Opportunity Management Strategy for approval.

The Corporate Risk Register 2021/22 was attached at Annex A along with the Proposed Risk and Opportunity Management Strategy at Annex B.

The report highlighted that Risk and Opportunity Management was the process used to identify, evaluate and manage the whole range of business risks and opportunities facing an organisation. This process was vital to ensure the effective operation of the Council and delivery of its Corporate Plan.

The Risk Register had been reviewed with a number of risk removed as either no longer relevant, or managed to a sufficient level of risk and passed back to the appropriate Business Manager as an operational risk. It was noted that further to the new Risk and Opportunity Management Strategy, there would need to be further work to ensure significant risks and opportunities identified by Group and Business Managers were escalated for inclusion in the Corporate Register. This work was on-going and would be reflected in future registers reported to the Committee.

A number of specific risks were discussed and officers explained that some descriptions had changed because it had been felt that the Strategic Risk Register was too generic. Mrs Griffiths advised that the document should be highlighting the biggest risks being recognised now, with actions to chase up mitigation or resolution of the issues. She used the Salt Cross roundabout as an example and highlighted the need for the document to be specific.

Councillor Langridge raised an issue relating to risk WO-016 which he felt should be 'beefed up' to include lines of reporting and wished to see it expanded.

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Councillor Levy reminded the meeting that when the Council did anything, it created a new risk but the document needed to be constantly updated to include the latest projects.

The issue of lines of communication from Publica to Members was raised again with Councillors querying how some issues would be reported back. However, there was a division of opinion with the Committee with some Members feeling that long term risks should be included, and this document was too short to mid-term.

Clarification was provided on the work being carried out to the revision of the Local Plan and how the Local Management Team highlighted risks to scrutiny committees for discussion.

Having considered the report it was

Resolved that

- (a) the corporate risk register be noted; and
- (b) the Risk and Opportunity Management Strategy at Annex B be approved.

34 Internal Audit Progress Report

Members received a report from the Chief Finance Officer which presented a summary of the audit work concluded since the last meeting of this Committee as outlined in the Report of Internal Activity 2021/22, attached as Annex A to the report.

The report advised that the Internal Audit Service was provided to the Council by SWAP Internal Audit Services (SWAP), a local authority-controlled company. The report attached at Annex A set out the work undertaken by SWAP for the Council since the last meeting of this Committee. It followed the risk-based auditing principles and, therefore, this was an opportunity for the Committee to be aware of emerging issues which had resulted from SWAP involvement.

Mrs Cater from SWAP was in attendance, outlined the report and answered queries from the Committee.

Councillor Langridge noted that there was a lot of detail in the report but felt it was a struggle to pick out the key issues and asked if this could be presented differently. Mrs Cater confirmed that officers were looking at introducing a 'dashboard' style, similar to other Council reports.

The Chief Finance Officer outlined the changes that had been made to the style of reports reducing it from 30 pages to six.

Councillor Dingwall signposted Members to the fact that with emergency planning, some 'Gold Officers' had not been trained for three years. The issues relating to the non-delivery of reports from Grant Thornton was discussed along with the impact this had had on Council officers.

Having read the report, it was

Resolved the report is noted.

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The Meeting closed at 7.22 pm

CHAIRMAN