

Wednesday, 22 June 2022

Tel: 01993 861522

e-mail - democratic.services@westoxon.gov.uk

AUDIT AND GOVERNANCE COMMITTEE

You are summoned to a meeting of the Audit and Governance Committee which will be held in the Committee Room 1, Council Offices, Woodgreen, Witney OX28 1NB on **Thursday, 30 June 2022 at 6.00 pm.**



Giles Hughes
Chief Executive

To: Members of the Audit and Governance Committee

Councillors: Councillor Alaric Smith (Chair), Councillor Ruth Smith (Vice-Chair), Councillor Luci Ashbourne, Councillor Andrew Beaney, Councillor Jill Bull, Councillor Nathalie Chapple, Councillor Owen Collins, Councillor Julian Cooper, Councillor Colin Dingwall, Councillor Jane Doughty, Councillor Gill Hill, Councillor David Jackson, Councillor Richard Langridge, Councillor Norman MacRae MBE, Councillor Michele Mead, Councillor Elizabeth Poskitt and Councillor Andrew Prosser

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted. By participating in this meeting, you are consenting to be filmed.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Democratic Services officers know prior to the start of the meeting.

AGENDA

1. **Minutes of Previous Meeting (Pages 5 - 8)**
To approve the minutes of the meeting held on 21 April 2022.
2. **Committee appointments and start time for civic year 2022/23**
Purpose:
 1. Confirmation of appointment of Chair and Vice-Chair for the Committee, civic year 2022/23.
 2. Members to agree start time of the Committee for civic year 2022/23.
Recommendations:
 1. The committee confirms appointment of Chair and Vice-Chair for the Committee, civic year 2022/23.
 2. Members to confirm start time of the Committee for civic year 2022/23.
3. **Apologies for Absence**
To receive any apologies for absence.
4. **Chairs Announcements**
5. **Declarations of Interest**
To receive any declarations from Members of the Committee on any items to be considered at the meeting
6. **Participation of the Public**
To receive any submissions from members of the public, in accordance with the Council's Rules of Procedure.
7. **Annual internal Audit Opinion 2021/22 (Pages 9 - 46)**
Purpose:

To present a summary of the work undertaken by Internal Audit during 2021/22 and to give an overall opinion on levels of assurance resulting from this work.

Due to the information contained in The Internal Audit Annual Opinion, it is deemed unnecessary to submit a separate quarterly monitoring report. Instead, we have produced a condensed version of the usual report which contains a summary of the work concluded since the last meeting of this Committee.

Recommendation:

That the Committee considers the report and comments, as necessary
8. **Annual Governance Statement Action Plan (Pages 47 - 54)**
Purpose:

Report presents an update on the Governance Action Plan for 2021/22.

Annex A - Annual Governance Statement Action Plan 2021/22 including progress updates.

Recommendation:

To note progress against items in the Governance Action Plan for 2021/22.

9. **Corporate Risk Register Update (Pages 55 - 62)**

Purpose:

This report brings to members the current version of the Strategic Risk Register for information.

[Annex A](#) - Corporate Risk Register

Recommendation:

That the corporate risk register be noted.

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WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the **Audit and Governance Committee**

Held in the Council Chamber at 6.00 pm on **Thursday, 21 April 2022**

PRESENT

Councillors: Alex Postan (Chairman), Joy Aitman, Luci Ashbourne, Andrew Beaney, Owen Collins, Julian Cooper, Maxine Crossland, Rupert Dent, Colin Dingwall, Harry Eaglestone, C Richard Langridge, Elizabeth Poskitt and Alex Wilson.

Officers: Amy Bridgewater-Carnall (Senior Strategic Support Officer), Emma Cathcart (Counter Fraud Unit Manager) and Georgina Dyer (Business Partner Accountant)

35 Minutes of Previous Meeting

The minutes of the meeting held on 17 February 2022 were approved and signed by the Chairman as a correct record.

36 Apologies for Absence

Apologies for absence were received from Councillor Jake Acock, Gill Hill, Dan Levy and Dean Temple.

Councillor Owen Collins substituted for Councillor Duncan Enright, and Councillor Maxine Crossland substituted for Councillor Martin McBride.

The Chairman took this opportunity to thank Councillor Crossland for her service as a District Councillor as she would not be standing for re-election. He acknowledged her previous career as a teacher, her dedication to the role and wished her well for the future.

37 Declarations of Interest

There were no declarations of interest received.

38 Participation of the Public

There was none.

39 Whistle-Blowing Policy

The Committee received a report from the Head of Service, Counter Fraud and Enforcement Unit which presented an updated Whistleblowing policy for comment, prior to its consideration at Cabinet.

This updated and replaced the existing Whistleblowing policy to highlight key legislation and the roles and responsibilities of Members, officers and other parties. The revised policy was attached at Annex A to the report.

The Counter Fraud Unit Manager, Emma Cathcart, introduced the report and explained that this was an overarching policy for partner councils and Publica. She advised that an easy to use flowchart would be introduced when the policy was rolled out to employees, via the intranet. In response to a question from Councillor Dent, officers confirmed that Ubico was not included because in this respect they were treated as a contractor and would have its own policies for dealing with its employees.

Councillor Postan queried how the communication was carried out should a case be resolved. He was advised that the Audit & GP Committee would receive a report but Members were reminded that these cases were often confidential and had to be handled sensitively.

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Following further discussion, officers confirmed that individual's roles were protected and they were confident that the processes were robust to avoid any misinformation or issues being 'glossed over'.

Having considered the report and having heard from the officers present, the Committee **Recommended** that the policy be supported and approved by Cabinet.

40 **Counter Fraud and Enforcement Unit Report**

The Committee received a report from the Head of Service, Counter Fraud and Enforcement Unit which provided them with assurance over the counter fraud activities of the Council. Direct updates would continue to be provided biannually.

Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

The report also provided the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.

The Committee were asked to note the report and the work plans attached at Annex A.

Emma Cathcart introduced the report and explained the recent name change of the unit which it was felt better explained the role of the department. She advised that the administration of the Business Grants had been a huge undertaking, as outlined at section 2.2 of the report, and this work was ongoing. In addition, the team had taken confidence from the matches found within their work streams with the Cabinet Office's National Fraud Initiative.

Councillor Beaney asked for clarification on a recent Member Code of Conduct complaint which appeared to have been ongoing for an unacceptable length of time. The Democratic Services Manager advised that none of the delay had been as a result of the work undertaken by the CFEU, who had produced their report in a timely manner. The delay was as a result of changes in the role of Monitoring Officer at WODC along with difficulties liaising with the Independent Persons and had been ongoing since last year. It was hoped that a hearing could be scheduled in for June this year.

Further comments and queries from Members included the mix of 'chancers' versus real fraudsters and officers explained some of the processes and the level of evidence required.

Members thanked Mrs Cathcart for her report and noted the RIPA update.

It was therefore,

Resolved that the report and work plans at Annex A, be noted.

41 **Internal Audit Report**

Members noted the report of Internal Activity 2021/22.

The 2022/23 Internal Audit Annual Plan and the Internal Audit Charter was approved, therefore

Resolved by committee approval.

42 **Minutes of Standards Sub-Committee**

The minutes of the Standards Sub-Committee held on 23 March 2022 were received and noted.

Audit and Governance Committee

21/April2022

Officers advised that the Member Code of Conduct and Hearing Panel Procedure Rules considered at the meeting were on the Council agenda for the following week.

It was therefore,

Resolved that the minutes be noted.

43 Minutes of Miscellaneous Licensing Sub-Committees

Resolved that the minutes of the Miscellaneous Licensing Sub-Committee dated 9 September 2021, 27 January and 17 February 2002, be noted.

44 Exclusion of Public and Press

Resolved: That, in view of the likely disclosure of exempt information, as defined in paragraph 1,2 of Part 1 of Schedule 12A to the Local Government Act 1972, the public were excluded from the meeting for the remaining item of business.

45 Minutes of Miscellaneous Licensing Sub-Committee

Resolved that the confidential minutes of the Miscellaneous Licensing Sub-Committee dated 2 July 2021 and 17 February 2022, be noted.

The Meeting closed at 6.40pm

CHAIR

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 30TH JUNE 2022</p>
<p>Report Number</p>	<p>Agenda Item No 7</p>
<p>Subject</p>	<p>INTERNAL AUDIT OPINION 2021/22</p>
<p>Wards affected</p>	<p>N/A</p>
<p>Accountable member</p>	<p>Councillor Dan Levy, Cabinet Member for Finance Email: dan.levy@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Elizabeth Griffiths, Chief Finance Officer Tel: 01993 861188 Email: Elizabeth.Griffiths@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To present a summary of the work undertaken by Internal Audit during 2021/22 and to give an overall opinion on levels of assurance resulting from this work.</p> <p>Due to the information contained in The Internal Audit Annual Opinion, it is deemed unnecessary to submit a separate quarterly monitoring report. Instead, we have produced a condensed version of the usual report which contains a summary of the work concluded since the last meeting of this Committee.</p>
<p>Annexes</p>	<p>Annex A – INTERNAL AUDIT ANNUAL OPINION 2021/22 Annex B – SUMMARY OF WORK COMPLETED SINCE MARCH 2022 Annex C – SUMMARY OF OUTSTANDING AGREED ACTIONS</p>
<p>Recommendation</p>	<p>a) That the Committee considers the report and comments, as necessary.</p>
<p>Corporate priorities</p>	<p>Delivering excellent modern services whilst ensuring the financial sustainability of the Council.</p>
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/ Consultation</p>	<p>N/A</p>

1. BACKGROUND

The Annual Opinion Report 2021/22, Annex 'A', provides the Head of Internal Audit's (SWAP Assistant Director) opinion, on the adequacy and effectiveness of internal control within West Oxfordshire District Council. The opinion is based on the adequacy of control, noted from a selection of risk-based audits carried out during the year, and other advice work on control systems including the proactive work of the service as it supports the control arrangements within change projects. The results of any external inspections also inform the opinion.

Throughout the year the Internal Audit service have measured the degree of control assurance within the systems, or elements of systems, audited or supported by way of control advice. Overall, the opinion is that a 'High Reasonable' assurance level can be given for the controls in place, within the areas where audit activity has taken place, to safeguard these systems which in turn support the delivery of the Council's overall business objectives.

Where operational control issues were raised, the risks associated with the control issues raised, in the audit reports, are being actively managed by Management.

The report outlines how the Internal Audit function has supported the Council in meeting the requirements of the Public Sector Internal Audit Standards. These state that:

- "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."
- "A relevant authority must conduct, each financial year, a review of the effectiveness of the system of internal control."

The purpose of the Head of Internal Audit's Annual Opinion is to contribute to the assurances available to the Head of Paid Service and the Council which underpin the Council's own assessment of the effectiveness of the authority's system of internal control. This opinion is one component that the Council must take into account when completing its Annual Governance Statement.

Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

2. MAIN POINTS

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon, and limited to, the work performed, on the overall adequacy and effectiveness of the organisation's control arrangements. This is achieved through a risk-based programme of activities, agreed with management and approved, for 2021/22, by the Audit and General Purposes Committee (now Audit and Governance), which should provide a level of assurance across a range of Council activities. The opinion does not imply that the internal audit service has reviewed all risks and controls relating to the Council or the systems it reviews.

3. FINANCIAL IMPLICATIONS

- 3.1. None identified through the work conducted by Internal Audit during 2021/22

4. LEGAL IMPLICATIONS

- 4.1.** None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

5. RISK ASSESSMENT

- 5.1.** The weaknesses in the control framework, identified by the Internal Audit activity, continues to threaten organisational objectives if recommendations are not implemented.

6. BACKGROUND PAPERS

- 6.1.** Internal Audit Reports

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West Oxfordshire District Council

Internal Audit Annual Opinion Report 2021/22

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Internal Audit Annual Opinion – 2021/22: ‘At a Glance’

Annual Opinion



There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

The Headlines

	No Significant Risks were identified during the year.
	36 reviews delivered as part of the 2021/22 Internal Audit Plan. Includes assurance, advisory and follow up reviews. 4 reviews are at draft report stage and 4 are in progress. Furthermore we continue to support the Council with ongoing projects and attend corporate meetings.
	Internal Audit staff redeployed directly into Council areas to assist with the COVID response. COVID 19 Business Grant processing and post payment checks.
	A number of agreed actions from 2020/21 remain outstanding, along with actions agreed during 2021/22 (some agreed actions have had time extensions due to Covid-19). We will continue to follow-up all agreed actions.

Internal Audit Assurance Opinions 2021/22

Substantial	4
Reasonable	12
Limited	0
No	0

Internal Audit Agreed Actions 2021/22

Priority 1	0
Priority 2	14
Priority 3	15
Total	29

Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
 - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
 - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
 - the effectiveness of risk management processes; and
 - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

Executive Summary

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit and Governance Committee and Senior Management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

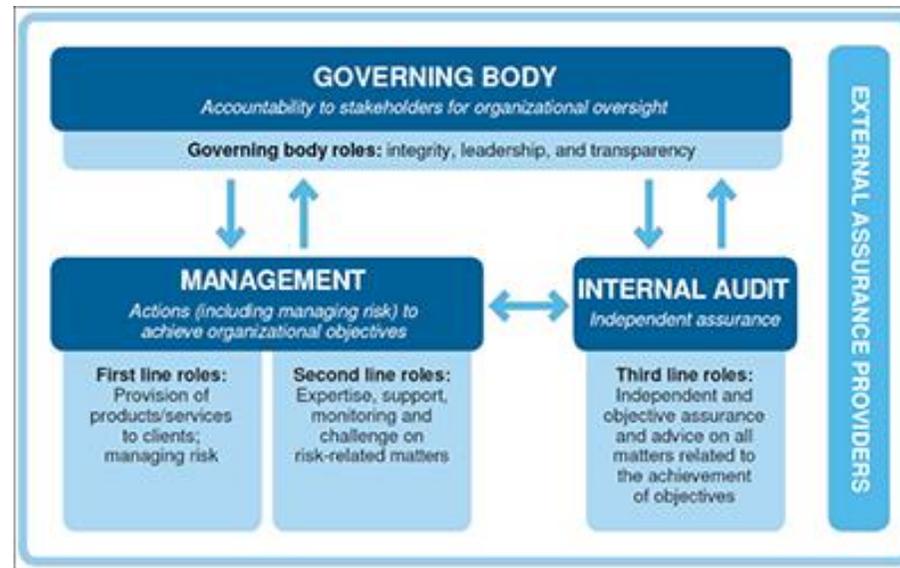


Background

The Internal Audit service for West Oxfordshire District Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2021/22 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



Summary of Audit Work 2021/22

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

On the balance of our 2021/22 audit work for West Oxfordshire District Council, enhanced by the work of external agencies, I am able to offer a **High Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Just as in more normal times, audit work has been planned to ensure that sufficient assurance will be available to support the annual opinion as well as supporting the key priorities that underpin WODC's 2021/22 Corporate Plan:

- Climate Change
- Healthy Towns and Villages
- A Vibrant District Economy
- Strong Local Communities
- Meeting the Housing Needs of our Changing Population
- Modern Council Services and Sustainable Finance

Our audit work supports each of these priorities, whether as an assurance audit, an advisory piece of work, ad hoc requests or support to the council.

The professional requirements of PSIAS have remained unchanged and in line with these, audit priorities have been agreed throughout the year and this work supports the annual opinion.

The additional work performed to carry out assurance work on risks associated with the continued pandemic were:

- *Supported the Council on data input for further rounds of Business Grants (ARG Schemes, Omicron)*
- *Support to the Council in respect of post payments reviews on all Mandatory Business Grant Applications*
- *Responding to queries and complaints in respect of Covid Grants*
- *Audit of Covid grants*

Alongside direct internal audit work, the HIA can also place reliance on:

- *Work and investigations undertaken by the Council's Counter Fraud and Enforcement Unit*
- *Updates and PSN certification undertaken by the Council's ICT Audit and Compliance Manager*
- *Review undertaken by Business Manager – Corporate Responsibility on Mangers' Assurance Statements 2021/22*

As we are working to a more agile / rolling audit plan the following audits have been agreed with Management to be carried forward to 2022/23.

- *Human Resources – Following the implementation of a new recruitment process*
- *Procurement – following the adoption of the updated Procurement and Commissioning Strategy*

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control.

- *Business Continuity*
- *Continuous assurance*
- *Key financial audits*
- *Information governance and security*
- *Key front line services*

Throughout another challenging year, we have tried to ensure a balance between providing direct assistance to the Council and maintaining a continuum of audit work. We are pleased to report we have achieved this, although it must be recognised coverage is not comparable to previous or 'normal' years.

Summary of Audit Work 2020/21

Definitions of Corporate Risk

High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk

Issues which should be addressed by management in their areas of responsibility.

Low Risk

Issues of a minor nature or best practice where some improvement can be made.



Significant Corporate Risks

Our audits examine the controls that are in place to manage the risks that relate to the area being audited. We assess the risk at a 'Corporate' level once we have tested the controls in place. Where the controls are found to be ineffective and the 'Corporate risk' as 'High' these are brought to the Audit and Governance Committee attention.

We have not identified any significant corporate risks in the areas we have audited this year, but audit reviews completed during the year identified weaknesses in process / systems that should be addressed. Of the fourteen priority 2 agreed actions made during the year, 9 are not complete. This is because 5 have been agreed recently and are not due to be implemented until 2022/23. The other 4 have been delayed, please see the report at Annex C for further information.

We have also continued to follow-up all agreed actions made in previous years audits. Due to on-going worldwide events that continue to affect the Council e.g. Covid and the War in Ukraine and officers supporting these more critical services, some agreed actions haven't been implemented by the target date. Progress is being made on implementation of these actions and we will continue to follow them up.

All audits, and progress against agreed actions, have been reported throughout 2021/22 to the Audit and General Purposes (now Audit and Governance) Committee.

Summary of Audit Work 2021/22

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.



Summary of Audit Opinion

The following two charts summarise the audit opinions and audit work, and involvement, during 2021/22

Table 1 indicates the spread of assurance opinions across our work during the past year.

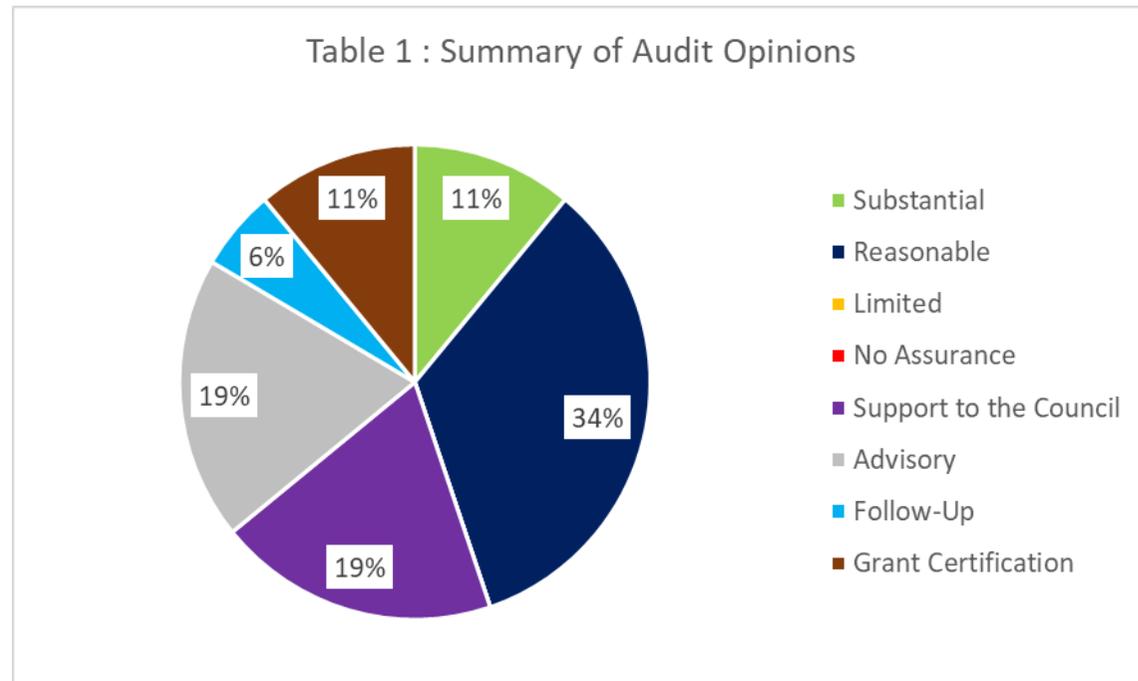
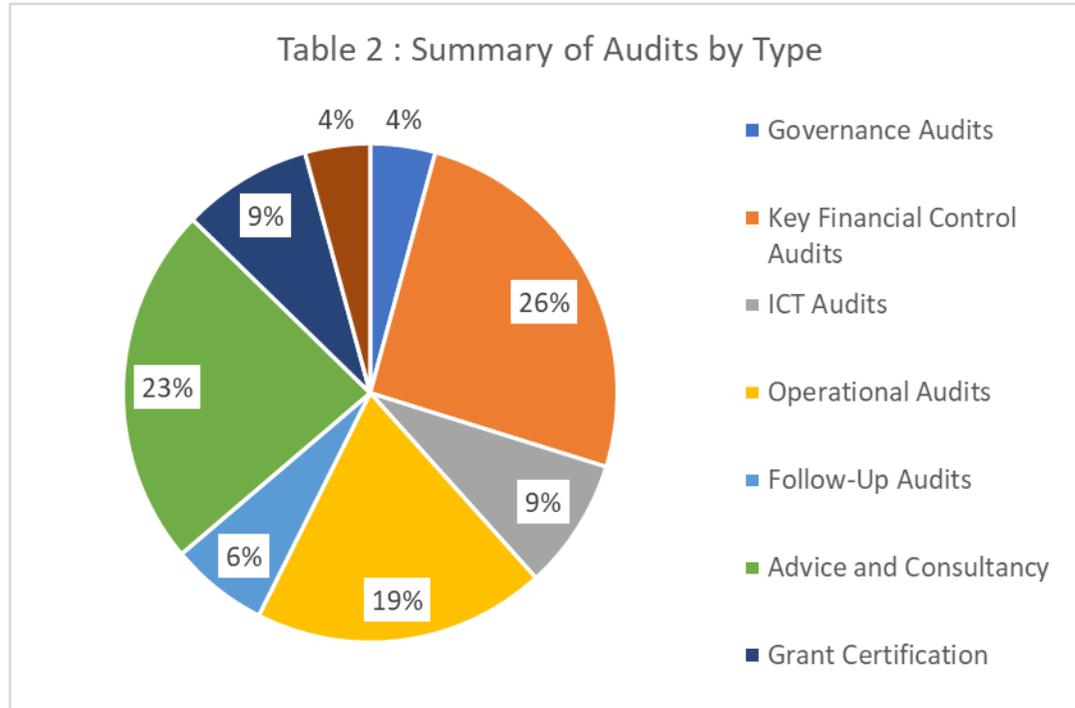


Table 2 indicates the audit work by type.



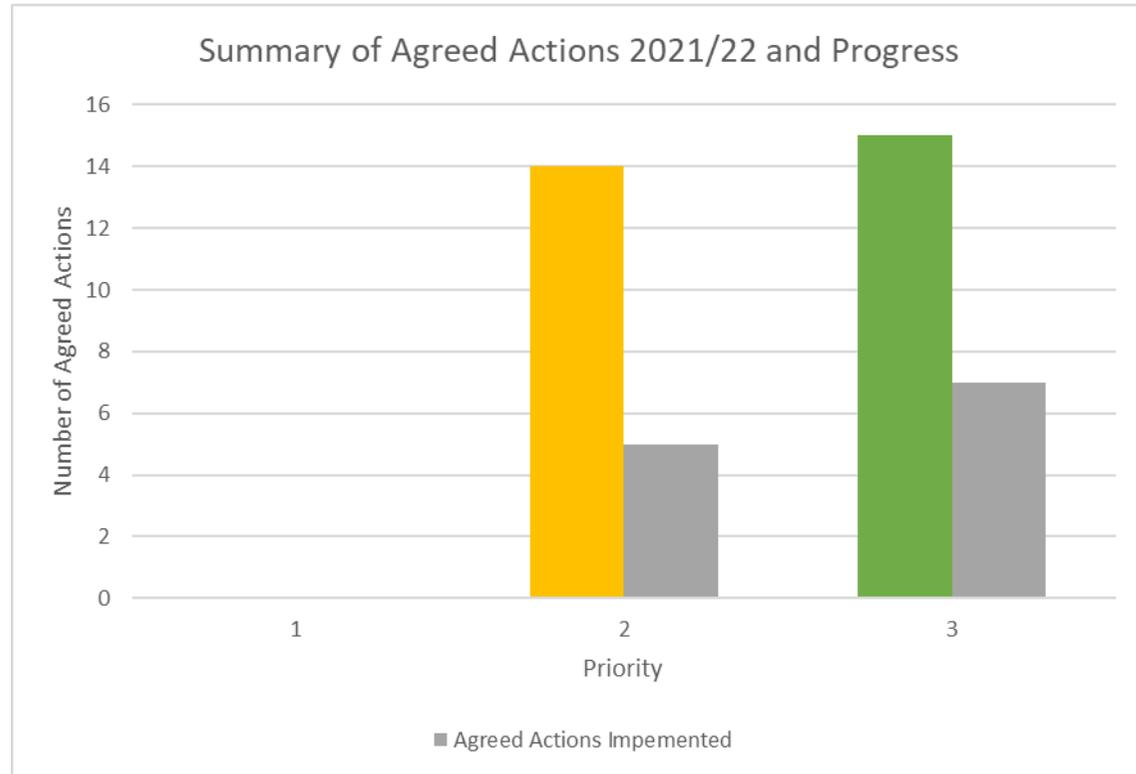
Summary of Audit Work 2021/22

SWAP Performance - Summary of Audit Actions by Priority



Priority Actions

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action



Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

Business Grants

During the year the Head of Internal Audit has continued to support the Business Grant Team. Responsibilities have included:

- *Supervision of the Grant Team*
- *Responding to queries / complaints from Councillors and applicants*
- *Implementation and Administration of the Summer ARG Scheme*
- *Implementation and Administration of the Omicron Schemes*
- *Working with CFEU Head of Service to review all Mandatory Grants paid*

Corporate Groups

During the year we have attended a number of corporate groups to act as a 'critical friend'.

Benchmarking

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN). This data is useful for services to develop and improve their own systems and processes so that business objectives can be achieved with continually decreasing resources.

News Roundup

We produce a fortnightly newsletter that provides information on topical areas of interest for public sector bodies.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



SWAP Performance

SWAP’s performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The respective outturn performance results for WODC for the 2021/22 year are as follows:

Performance Target	Average Performance
<u>Audit Plan – Percentage Progress</u>	
Final, Complete, Draft and Discussion 90%	85%
In progress/Review	9%
Carried Forward	6%
<u>Customer Satisfaction Questionnaire</u>	
Feedback 95%	100%

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance of PSIAS.

Attribute Standard 1300 of the IPPF requires Heads of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want

to make, as aligned to SWAP's Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions.



Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions
Operational	Authority's Response to Covid-19	Final Report	Medium Substantial	-
Key Financial Control	Accounts Payable	Final Report	High Reasonable	3
Key Financial Control	Payroll	Final Report	High Reasonable	1
ICT	Systems Admin	Final Report	Medium Reasonable	2
Key Control	Human Resources	Final Report	Medium Reasonable	5
Governance	Risk Management	Final Position Statement	Advisory	N/A
ICT	Data Recovery Capabilities	Final Report	Low Substantial	1
Support	Business Grant Funding	Complete	Support to the Council	N/A
Support	Business Grant Funding - Post Payment Reviews – Head of IS working with CFEU Head of Service	Complete	Support to the Council	N/A
Support	Business Grant Funding – January ARG Scheme	Complete	Support to the Council	N/A
Support	Business Grant Funding – January LEP Scheme	Complete	Support to the Council	N/A
Support	Business Grant Funding – Omicron Grants (January) (NEW)	Complete	Support to the Council	N/A
Support	Ubico – New Shareholder	Complete	Advisory	N/A
Operational	Fire Risk Assessments	Final Report	High Reasonable	1
Support	Civica – Merge of 3 Systems	Complete	Advisory	N/A
Operational	Emergency Planning	Final Report	High Reasonable	4

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions
Operational	Procurement (Contract Management and Monitoring)	Final Report	High Reasonable	2
Governance	Governance of Programmes and Projects	Final Report	Medium Reasonable	2
Key Financial Control	Council Tax and National Non-Domestic Rates	Final Report	Low Reasonable	1
Key Financial Control	Housing and Council Tax Benefits	Final Report	Low Reasonable	2
Key Financial Control	Main Accounting and Accounts Receivable	Final Report	Low Reasonable	2
Key Financial Control	Payroll	Final Report	High Substantial	-
Key Financial Control	Accounts Payable	Final Report	High Substantial	-
Follow-Up	Risk Management	Final Report	Follow-Up	N/A
ICT	Control of Accounts with Administration Privileges	Final Report	High Reasonable	3
Grant Certification	Disabled Facilities Grants	Complete	Grant Certification	N/A
Grant Certification	Restart Grants	Complete	Grant Certification	N/A
Grant Certification	Broadband Claim	Complete	Grant Certification	N/A
Grant Certification	Carbon Data	Complete	Grant Certification	N/A
Follow-Up	Follow-Ups of Recommendations made in Substantial and Reasonable Audits	Complete	Follow-Up	N/A
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	Complete	Support to the Council	N/A
Other Audit Involvement	Management of the IA Function and Client Support	Complete	Support to the Council	N/A

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Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Comment
Draft Reports			
Operational	Publica Performance Information	Draft Report	
Operational	Procurement Cards	Draft Report	
Governance	Monitoring the Performance of Strategic Commissioned Services	Draft Report	
ICT	Vulnerability Management	Draft Report	
Audits In Progress			
Operational	Business Grant Funding – Post Payment Assurance	In progress	
Operational	Mechanism for Charging Council	In progress	
Key Financial Control	Treasury Management and Bank Reconciliation	In Progress	
Follow-Up	Asset Management and Commercial Property	In Progress	
Ongoing Audit Support / Involvement			
Advisory	Support to the Agile Working Project		Support complete for 2021/22, will continue into 2022/23
Advisory	Environmental Services Improvement Programme		Support complete for 2021/22, will continue into 2022/23
Advisory	Procurement and Commissioning Group		Support complete for 2021/22, will continue into 2022/23
Advisory	Health and Safety Working Group		Support complete for 2021/22, will continue into 2022/23

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Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Comment
Audits Carried Forward			
Governance	Human Resources	Carried Forward	Rolling Audit. Planned for 2022/23 following the introduction of a new recruitment process
Operational	Other Support Service provided by Publica Procurement (Compliance with Strategy)	Carried Forward	Rolling Audit. Planned for 2022/23 following the adoption of the Updated Procurement Strategy
Operational	Election Expenses – Treatment of VAT	Carried Forward	Request to defer audit to 2022/23 due to change in officers



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West Oxfordshire District Council

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Report of Internal Audit Activity
Summary of Work Completed since April 2022

The following information provides a brief summary of each audit review finalised since the last Committee update

Risk Management Follow Up – Final Audit Report – April 2022

Follow Up Audit Objective

To provide assurance agreed actions to mitigate against risk exposure identified within the 2020/21 Risk Management Position Statement have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	0	0	0
Priority 2	1	1	0	2
Priority 3	1	0	0	1
Total	2	1	0	3

Follow Up Assessment

The 2020/21 audit of Risk Management processes was not completed due to planned improvements, instead a Position Statement was issued in September 2021. Based on our observations, an action plan to enhance compliance with policy and process was agreed with the Business Manager.

This follow up audit has found most actions have now been completed; the agreed action still in progress has been partially implemented. Key findings from the audit follow up have been summarised below. Evidence has been seen to support the implementation of these actions. A Risk Management review will be undertaken in 2022/23 to assess the effectiveness of the controls introduced and identification and escalating of risks.

Key Findings

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Training, Support and Guidance.

- Risk and Opportunity Management Strategies have been approved by the Audit Committees and adopted at all 3 Councils; each council strategy will be used in conjunction with the Publica Risk and Opportunity Management Strategy.
- The Publica Strategic Support Officer - Risk and Compliance (SSO-R&C) has attended management meetings at all 3 Councils to discuss risk management.
- The Business Manager - Corporate Responsibility (BM-CR) and the Strategic Support Officer - Risk and Compliance have attended Publica Business Manager meetings to provide training.



Templates and Tooling.

- The use of new or existing Risk Management software is still being considered.
- Publica has implemented a new operational risk register template for each Group Managers' service areas, but at the time of audit (March 2022) work there were some incomplete fields and inconsistencies in how the templates had been completed.
- The same Strategic Risk Register template is used by all 3 Council's and Publica.



Policy, Governance and Compliance.

- A standardised approach to risk and opportunity management processes has been adopted across Publica and the 3 Councils. Considering risk tolerance and the impact on each organisations objectives and priorities should help to determine the choice of action for each council.
- Publica Group Managers and Executive Directors are responsible for the effective implementation of the Risk and Opportunity Management Strategy.
- A separate Risk Management Group which will also include Council officers is due to have its first meeting in April 2022, with the aim to provide better links between project, operational and strategic risk registers across the 3 Councils and Publica.

Follow Up Scope

The BM-CR confirmed the use of risk management software is part of a wider piece of work looking at how Pentana can be used by Publica. Training has been delivered to Business Managers, but training material was still due to be published on the Publica Portal. Roles and responsibilities have been defined, but how well risk management is embedded across all organisations will depend on how Publica Group Managers and Executive Directors implement the strategy, encourage officer engagement, and recognise each councils' individual circumstances.

Privileged Account Management – Final Audit Report – May 2022

Audit Objective

To gain assurance the processes and controls surrounding the management of privileged accounts are working effectively to mitigate risks.

Assurance Opinion



There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Agreed Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	3
Total	3

Risks Reviewed

Failure to control Privileged User Accounts increases exposure to malicious attack, potentially enabling threat actors to gain elevated privileged access to networks, systems, and applications. This creates a high risk of misuse, fraudulent activity or a security incident leading to legal, financial, and reputational damage.

Assessment

Low

Key Findings

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Privileged Account Management is a complex but critical process. It requires software solutions with good functionality and access controls alongside robust processes to be effective.

We did not identify any significant concerns within the scope of this audit; however, management have agreed to consider some minor areas of improvement that should enhance security and governance in this area.



We can confirm agreed actions from the 2020/21 Systems Administration audit have been implemented.

Audit Scope

The areas reviewed as part of this audit included;

- *Controls surrounding identification and management of user accounts providing privileged system access.*
- *Control and review of access to privileged user accounts.*
- *Monitoring and review of privileged user account usage.*
- *Identified related risks and exceptions to Policy and review and follow up of previous, related audit actions.*

Discussions were held with the Infrastructure Manager and ICT Audit and Compliance Manager and evidence viewed or requested where appropriate.

Additional Information

Whilst no significant areas of concern have been identified, it is important all ICT personnel continue to monitor risks surrounding Privileged Account Management, including the identification and review of any specific exceptions to the processes or technical standards, that may exist or arise in the future. Failure to do so, will potentially leave significant gaps in the controls and increase exposure to misuse or compromise.

Governance of Programmes and Projects – Final Audit Report – June 2022

Audit Objective

To provide assurance that the governance of programmes and projects is efficient and effective and supports the Council to help them achieve their priorities.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	<p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	Priority	Number	<p>An ineffective Programme and Project Management framework could lead to the Council not being able to deliver anticipated outcomes and their associated benefits within timescale or budget, potentially leading to non-delivery of Corporate aims and objectives, financial loss or reputational damage.</p>	<p>Medium</p>
		Priority 1	0		
		Priority 2	1		
		Priority 3	1		
		Total	2		

Key Findings

<p>Page 35</p> 	<p>Local management teams are informed of new programmes / projects through the Lifecycle Decision Report, but not formally consulted with. A Statutory Officer Consultation Box on the reports will prompt engagement with Officers and record details of their input. Statutory Officer approval (or delegated approval) should be sought for all registered projects. The framework and any templates will be updated to include any amendments to the process.</p>
	<p>There were inconsistencies with the way in which key milestones were recorded within the Project Register. Some project milestones had a good level of chronological detail, while others had expired dates and had not been updated. All programmes / projects should have key tangible and meaningful milestones for measurability purposes. There have been significant improvements in this area since fieldwork commenced and work is ongoing.</p>
	<p>Locality reports update individual Council's on all their registered projects monthly. These reports are provided to Statutory Officers and Publica client lead for each Council. Documentation evolves in response to feedback and operational and strategic requirements. Applicable projects had evidence of closedown reviews which included capturing outcomes and lessons learnt.</p>

Audit Scope

This work addressed the above objective and reviewed the controls operating in the following areas:

- Planning and approval processes
- Reporting and monitoring arrangements
- Roles and responsibilities
- Review of outcomes and the achievement of objectives

Discussions were held with the Corporate Programme Manager and Project Managers. Further clarification from the S151 Officer was obtained.

The programmes / projects selected for review were:
 One live project – Garden Village
 One closed project – S106 Database (phase 1)
 Public project – Customer Experience Improvement Programme
 Testing undertaken has assessed the effectiveness of processes operating.

Additional Information

Two actions have been developed and agreed with Publica to enhance the governance of programmes and projects. If these actions can be implemented, it will also support Statutory Officers being able to manage Member expectations, confidently answer queries and support officers when reports are presented to Cabinet / Council.

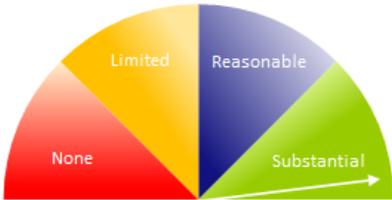
The framework will require update, as well as guidance on setting and challenging milestones, and independent assurance requirements. Best practice is to be shared with all Officers responsible for project management and for it to be embedded throughout the organisation.

Reporting of the programmes / projects selected for review were included in monthly reports to Statutory Officers. But Management have raised further concerns in respect of reporting of programmes / projects and therefore we will include a subsequent audit in our 2022/23 audit plan.

Accounts Payable – Final Audit Report – June 2022

Audit Objective

To ensure an effective control framework is in place for the Accounts Payable / Creditor's function

Assurance Opinion	Number of Agreed Actions		Risks Reviewed	Assessment
 <p>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	Priority	Number	Fraudulent, invalid, or late payments are made resulting in financial loss and/or reputational damage.	Low
	Priority 1	0		
	Priority 2	0		
	Priority 3	0		
	Total	0		

Key Findings

	Sound processes and controls are in place which ensure creditors are paid accurately, and in accordance with Financial Rules and/or payment terms.
	During 2021/22 a total of 6,666 suppliers, many with multiple payments each week were paid covering the 4 partner councils, Publica and Cheltenham Borough Homes. 1,161 of these suppliers were for the Council. 9 payments were identified as duplicate payments. Good recovery actions are in place, most payments have been recovered and actions are ongoing to recover any outstanding payments.
	Sundry Supplier codes are used to process one off payments. This means that full company checks are not completed which has the potential of increased fraudulent payments. We were advised Companies House and VAT checks are completed where these details are provided. Evidence confirmed officers are challenged if payment requests are made to pay the same supplier on a second occasion.
	Previous year's agreed actions have all been implemented.

Audit Scope

Discussions were held with the Accounts Payable Team Leader to confirm working practices.

Our quarterly testing of potential duplicate payments, and use of the sundry supplier codes (used when a creditor is not set up on the system) has been included to inform the effectiveness of the controls in place. Where duplicate payments were made, recovery actions were examined to ensure reimbursements were received.

Agreed actions from the 2020/21 AP audit have been followed up.

The test period covered 2020/21 and 2021/22. Clients reviewed were G1, G2, G3, G4, G5 and P8.

Conclusion

Our assurance opinion is based on the continuous audit work we have undertaken during the year (which have been reported in our quarterly progress reports), progress on the implementation of agreed actions, and working procedures/practices. We have also considered the increased workload the team have faced processing the numerous business grant payments.

In summary, we confirm an effective control environment is operating over the processes we have reviewed this year, identification of duplicate payments, use of sundry supplier code and AP controls

Our AP audit for 2022/23 will cover the process for the approval of payments to suppliers.

Appendix 1

Summary of the Continuous Analysis of Potential Duplicates and the use of the Sundry Creditor Code

Testing / Findings	Q1 (Aug 21)	Q2 (Nov 21)	Q3 (Feb 22)	Q4 (Apr 22)
Duplicate Payments				
Number of Duplicate Payments identified (paid twice by Council / Publica / CBH)	3	2	1	2
Value of Duplicate Payments identified (paid twice by Council / Publica / CBH)	£7,114.86	£802.94	£500	£1452.02
Number of Payments recovered either by Credit Note or Refund request from previous quarter	n/a	1	2	2
Value of Payments outstanding from previous quarter	n/a	£620.00	£620.00	£0
Number of Duplicate Payments identified (paid by Council and Publica or Council and CBH)	0	1	0	0
Value of Duplicate Payments identified (paid by Council and Publica or Council and CBH)	£0	£435.89	£0	£0
Number of Payments recovered either by Credit Note or Refund request from previous quarter	n/a	n/a	1	0
Value of Payments outstanding from previous quarter	n/a	£0	£0	£0
Sundry Suppliers				
Number of supplier(s) appearing more than once under the Sundry Supplier Record	2	1	6	8
Number of payments made to supplier(s) who appear more than once under the Sundry Supplier Record	4	2	13	17
Supplier record created on BW	0	1	1	0

*Includes amount o/s after Q4 duplicate recovery actions.

Recommendation details

Data revision date: 21/06/22

Audit Period	Audit Name	Unique Reference	Issue	Status	Priority	Created Date	Target Implementation Date	Revised End Date	Revised End Date changes	
July 2019	Cyber Security - Incident Management	44560	The Incident Management Policy, along with the Information Security Framework of policies, were last updated in 2017.	Outstanding	2	10/11/20	30/04/21	31/05/21	31/05/22	3
July 2019	Cyber Security - Incident Management	44562	Incident Management and investigation procedures are not documented.	Agreed	2	10/11/20	31/12/21	31/01/22	30/06/22	2
July 2019	Cyber Security - Incident Management	44561	Incident Response plans are not fully documented.	Agreed	3	10/11/20	31/12/21	31/01/22	30/06/22	2
July 2019	Cyber Security - Incident Management	44563	There is no clear tracking mechanism for ongoing and recurring vulnerabilities. There is currently no formal process in place to review, identify, validate and remediate gaps in anti-malware status and coverage.	Agreed	3	10/11/20	31/12/21	31/01/22	30/06/22	2
October 2020	ICT Audit Deployment of Anti-Malware Devices	44542	CDC / WODC - Housing Benefit not reconciled during 2020	Ongoing	3	17/05/21	31/10/21	30/11/21	30/04/22	1
October 2020	Revenues and Benefits (CDC, FoDDC, WODC)	44592	CDC and WODC - Officer system access is not revoked when it is no longer required.	Ongoing	2	18/11/20	31/01/21	01/02/21	31/07/22	3
October 2020	Revenues and Benefits (CDC, FoDDC, WODC)	44540		Ongoing	3	09/11/20	31/03/21	30/06/21	30/11/22	2
2021/22 Audits										
April 2020	Accounts Payable (Creditors)	45450	Amendments to supplier accounts can not be monitored.	Complete	2	17/05/21	30/09/21	31/10/21		0
April 2020	Accounts Payable (Creditors)	45451	Documentation is due for review and forms do not contain all relevant information.	Complete	3	17/05/21	31/10/21	30/11/21		0

April 2020	Accounts Payable (Creditors)	45457	Supplier bank account details were not confirmed in writing	Complete	3	18/05/21	30/06/21	31/07/21	0	
April 2020	Payroll	45585	Payroll monthly checklists are not fully completed, and we are unable to tell when process notes were last reviewed.	Complete	3	21/06/21	30/09/21	31/10/21	0	
July 2020	Systems Administration	45115	Privileged user accounts remain active when not required.	Closed - Recomm	2	04/03/21	31/01/22	31/01/22	30/06/22	1
July 2020	Systems Administration	45236	A lack of control surrounds the Business World SYSTEM account.	Complete	2	25/03/21	31/01/22	31/01/22	30/06/22	1
January 2021	Human Resources (Learning & Development)	45249	Third parties and/or temporary staff working for or on behalf of the Council are not required to carry out mandatory training modules	Agreed	2	30/03/21	31/03/22	30/04/22	0	
January 2021	Human Resources (Learning & Development)	45287	The Public Learning and Development Guidance and associated forms (Training Brief form and Learning Contract) have not been fully approved by relevant Employee Trade Unions.	Agreed	2	13/04/21	30/09/21	31/10/21	30/11/21	1
January 2021	Human Resources (Learning & Development)	45223	There is no Learning Management System in place	Agreed	3	23/03/21	31/03/22	30/04/22	0	
January 2021	Human Resources (Learning & Development)	45265	Training needs identification and training evaluation are not used as a tool for identification and improvement of training for the wider organisation	Complete (Client	3	09/04/21	30/04/21		0	
January 2021	Human Resources (Learning & Development)	45266	Course completion data extracted from iHasco is unreliable and incomplete, meaning it cannot be used for reliable reporting and training monitoring	Agreed	3	09/04/21	31/10/21	30/11/21	0	

January 2021	ICT Audit Data Recovery Capabilities	45747	A Data Recovery Test Schedule was not available.	Complete	3	22/07/21	31/12/21	31/01/22	0	
June 2021	H&S - Fire Risk Assessments	45890	Fire Risk Assessments Work Schedule is not current and incomplete	Complete	2	18/08/21	31/12/21	31/01/22	31/03/22	1
September 2021	Emergency Planning (CDC, FoDDC, WODC)	46080	Gold Commanders have not undertaken training in the last 3 years.	Complete	2	04/10/21	31/12/21	31/01/22	0	
September 2021	Emergency Planning (CDC, FoDDC, WODC)	46119	No guidance for the use of WhatsApp groups.	Ongoing	2	13/10/21	31/12/21	31/01/22	30/06/22	1
September 2021	Emergency Planning (CDC, FoDDC, WODC)	46168	Statutory roles and responsibilities are not clearly defined	Ongoing	2	26/10/21	31/12/21	31/01/22	30/06/22	1
September 2021	Emergency Planning (CDC, FoDDC, WODC)	46127	The Publica Emergency Planning Contact Directory is not up to date.	Complete	3	18/10/21	31/12/21	31/01/22	0	
July 2021	Procurement - Contract Management and Monitoring	46222	Contractor's BCP arrangements are not reviewed	Complete	3	02/11/21	31/03/22	30/04/22	0	
July 2021	Procurement - Contract Management and Monitoring	46220	Contract could not be located - WODC	Complete	3	02/11/21	31/03/22	30/04/22	0	
January 2022	Governance of Programmes and Projects	46565	Statutory Officers not consulted on project/programme governance decisions; Framework requires updating	Agreed	2	05/01/22	30/09/22	30/06/22	0	
January 2022	Governance of Programmes and Projects	46807	Inconsistencies with the quality of key milestones.	Agreed	3	01/03/22	30/09/22	0	0	
October 2021	Revenues and Benefits - Ctax and NNDR (CDC, FoDDC, WODC)	46965	Regular Financial Reconciliations are not completed (CDC and WODC)	Agreed	2	08/04/22	31/07/22	31/07/22	0	
October 2021	Revenues and Benefits - Ctax and NNDR (CDC, FoDDC, WODC)	46965	Regular Financial Reconciliations are not completed (CDC and WODC)	Agreed	2	08/04/22	31/07/22	31/07/22	0	
October 2021	Revenues and Benefits - Ctax and NNDR (CDC, FoDDC, WODC)	46966	Backlogs exist in processing Housing Benefits claims (CDC, FoDDC and WODC)	Agreed	3	08/04/22	31/07/22	31/08/22	0	
October 2021	Main Accounting and Accounts Receivable (CDC, FoDDC, WODC)	47056	Write off Separation of duties.	Agreed	2	04/05/22	30/09/22	31/07/22	31/10/22	1

October 2021	Main Accounting and Accounts Receivable (CDC, FoDDC, WODC)	47096	Debt Management, recovery and write off guidance.	Agreed	2	17/05/22	30/09/22	31/10/22	0	
November 2021	ICT - Control of Accounts with Administrative Privileges	46851	Accountability (enforced reason entry to view accounts)	Agreed	3	03/03/22	30/11/22	31/12/22	0	
November 2021	ICT - Control of Accounts with Administrative Privileges	47032	Potential for inappropriate and undetected local Administrator rights.	Agreed	3	11/04/22	30/11/22	31/12/22	0	
November 2021	ICT - Control of Accounts with Administrative Privileges	47089	Last (current) Logged on user within Virtual environments	Agreed	3	13/05/22	30/11/22	31/12/22	0	
January 2021	Risk Management (CDC, FoDDC, WODC, Pub)	45972	Sufficient Training, Support and Guidance should be provided to Managers.	Complete	2	09/09/21	31/10/21	30/11/21	31/05/22	1
January 2021	Risk Management (CDC, FoDDC, WODC, Pub)	45973	Universal Risk Register Templates are to be issued, with consideration of dedicated Risk Management Tooling.	Outstanding	2	09/09/21	31/10/21	30/11/21	31/05/22	1
January 2021	Risk Management (CDC, FoDDC, WODC, Pub)	45974	Define Risk Management differences between Councils, and role of Corporate Responsibility Compliance.	Complete	3	09/09/21	31/10/21	30/11/21	31/05/22	1

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Council name</p>	<p>West Oxfordshire District Council</p>
<p>Name and date of Committee</p>	<p>Audit and Governance Committee: Thursday 30 June 2022</p>
<p>Report Number</p>	<p>Agenda Item No 8</p>
<p>Subject</p>	<p>Annual Governance Statement – Action Plan</p>
<p>Wards affected</p>	<p>ALL</p>
<p>Accountable member</p>	<p>Councillor Andy Graham, Leader of the Council Email: andy.graham@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Giles Hughes, Chief Executive Tel: 01993 861658 Email: giles.hughes@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>This report presents an update on the Governance Action Plan for 2021/22</p>
<p>Annexes</p>	<p>Annex A - Annual Governance Statement Action Plan 2021/22 including progress updates.</p>
<p>Recommendation</p>	<p>To note progress against items in the Governance Action Plan for 2021/22</p>
<p>Corporate priorities</p>	<p>Not applicable</p>
<p>Key Decision</p>	<p>No</p>
<p>Exempt</p>	<p>No</p>
<p>Consultees/ Consultation</p>	<p>The Corporate Action Plan has been shared with statutory officers, Executive Directors and Group Managers</p>

2. REASONS FOR RECOMMENDATION

- 2.1. The Audit and General Purposes Committee is the Committee of the Council charged with governance.
- 2.2. The Accounts and Audit Regulations 2011 require the Council to produce an Annual Governance Statement (AGS), setting out the state of the Council's governance arrangements for the previous financial year.
- 2.3. The AGS for 2020/2021 was presented to this Committee on 24 November 2021 and is included within the approved Annual Statement of Accounts. The AGS identified five areas for focussed improvement during 2021/2022.
- 2.4. Progress reports covering these areas are made to this Committee so that it may monitor progress in improving the Council's governance arrangements.
- 2.5. An action plan for 2021/2022 covering the five areas of focus is shown at Annex A.

3. BACKGROUND

- 3.1. The AGS areas of focus, identified for 2021/2022 are:
 - Risk registers
 - Performance report
 - Constitution and schemes of delegation
 - Budget approvals
 - Project and programme management

4. FINANCIAL IMPLICATIONS

- 4.1. There are no direct financial implications.

5. LEGAL IMPLICATIONS

- 5.1. These are set out in the report.

6. RISK ASSESSMENT

- 6.1. If governance is weak the Council runs the risk of failing to safeguard the use of public money. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the coming financial year identified in the Annual Governance Statement provide a clear set of priorities for the continual improvement of governance to mitigate risk.

7. BACKGROUND PAPERS

- 7.1. The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:
- Agenda Item 5 – Audit and General Purposes Committee 24th November 2021
- 7.2. These documents will be available for inspection at the Council Offices at Woodgreen, Witney during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

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ANNUAL GOVERNANCE ACTION PLAN 2021/2022

Notes and key

Each action in the plan is marked with a 'traffic light' as follows:

Green	On target
Amber	Off target but action being taken to ensure delivery (where this results in a reviewed target date, this is made clear in the table)
Red	Off target and no action has yet been agreed to resolve the situation

Completed actions are marked as such in the 'Date' column and are shaded grey

This action plan contains actions from the Annual Governance Statement 2020/2021 which are coordinated and monitored by the Local Management Team.

Key to officersAccountable officer

Monitoring Officer: Susan Sale
 Chief Executive: Giles Hughes
 S.151 Officer: Elizabeth Griffiths

Responsible officer

Publica Strategic Support Officer - Risk and Compliance: Mike Butler
 Publica Business Manager for Corporate Responsibility: Claire Hughes
 Publica Business Manager for Finance: Debra Goodall
 Publica Business Manager for Insight & Intelligence: Dene Robson
 Publica Executive Director - Services Delivery: Sue Pangbourne

	Key Area of Focus	Actions	Responsible Officer	Accountable Officer	Completion due by	Progress
1. GREEN	Risk register	<p>Review the channels through which risks are escalated to the risk register to ensure the contents are always current, relevant and complete.</p> <ul style="list-style-type: none"> Review risk management policy and procedures to ensure risks are properly identified, recorded and escalated to the relevant strategic risk register as appropriate. Governance Group to carry out a quarterly review of operational risk registers to ensure that they are being appropriately populated and that emerging high level risks are being escalated to strategic/corporate register. 	<p>Publica Business Manager for Corporate Responsibility</p> <p>Publica Business Manager for Corporate Responsibility</p>	<p>Chief Executive</p> <p>Chief Executive</p>	<p>COMPLETE</p> <p>COMPLETE</p>	<p>New risk management Policy and Guidance approved by Audit and General Purposes Committee in February 2022.</p> <p>Governance Group reviewed operational risk registers in January.</p> <p>A separate Risk Group has now been established to review and share risk registers across Publica and the Councils.</p>
2. GREEN	Performance report	<ul style="list-style-type: none"> Review the KPIs measured on the performance report to ensure they reflect the Council's current priorities and concerns. 	Publica Business Manager for Insight & Intelligence	S.151 Officer	COMPLETE	<p>A review of KPIs was undertaken during Autumn 2021 and Portfolio Holders were requested to contact service managers to understand the range of data collected /available.</p> <p>A mix of new and existing KPIs have been agreed along with a new reporting style. A Prototype of the new 'dashboard' style report has been created, This new format has been agreed and was used for Q3 performance reporting to March Cabinet</p>

3. GREEN	Constitution and schemes of delegation review	<ul style="list-style-type: none"> To review and update the Council's constitution. Clarify and embed responsibility and accountability between the Council's Senior Leadership Team and Publica's Management Team. 	Monitoring Officer Publica Executive Director - Service Delivery	Monitoring Officer Chief Executive	C/F to 2023/2023 COMPLETE	<p>The interim Monitoring Officer will be reviewing the Constitution, including a new process to record Councillor's declarations in line with their obligations, ready for the new Council following May Elections.</p> <p>Local Leadership Team established which includes the Lead Director for Publica.</p>
4. GREEN Page 53	Budget approvals	<ul style="list-style-type: none"> Review of approvers on our Finance system to ensure that all workflow approvals go to an appropriate person. Clarify responsibility and accountability of Publica Officers. Provide financial management training to cover budget management. 	Publica Business Manager for Finance Publica Business Manager for Finance Publica Business Manager for Finance	S.151 Officer S.151 Officer S.151 Officer	C/F to 2022/2023 C/F to 2022/2023 COMPLETE	<p>Included as part of a bigger review on Business World</p> <p>Included as part of a bigger review on Business World</p> <p>Financial management guidance included in 2022/2023 budget packs</p>

5. GREEN	<p>Project and programme management.</p>	<p>Improvement of Programme Management reporting across the portfolio of Publica / Council projects focusing on the consistency, completeness and timeliness of information provided.</p> <ul style="list-style-type: none"> • New framework for project and programme management to be rolled out. • High level project risks to be escalated to Strategic/Corporate register. 	<p>Publica Business Manager for Corporate Responsibility</p> <p>Publica Strategic Support Officer - Risk and Compliance</p>	<p>Chief Executive</p> <p>Chief Executive</p>	<p>COMPLETE</p> <p>COMPLETE</p>	<p>The framework was launched in Oct 2020 and has been in use since then. The roll out of a Project Management Framework support library to support use of the framework was rolled out in October 2021.</p> <p>Monthly project updates on the project register provides a mechanism to flag that there is a new/increased project risk to raise. The Governance Group looked at a sample of project risk registers at their meeting in January 2022. A Risk Group has now been established to ensure there is a consistent approach across all Project Risk Registers.</p>
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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Council name	West Oxfordshire District Council
Name and date of Committee	Audit and Governance Committee: Thursday 30 June 2022
Report Number	Agenda Item No 9
Subject	Corporate Risk Register Update
Wards affected	ALL
Accountable member	Councillor Andy Graham, Leader of the Council Email: andy.graham@weatoxon.gov.uk
Accountable officer	Giles Hughes, Chief Executive Tel: 01993 861658 Email: giles.hughes@westoxon.gov.uk
Summary/Purpose	This report brings to members the current version of the Strategic Risk Register for information.
Annexes	Annex A - Corporate Risk Register
Recommendation	That the corporate risk register be noted
Corporate priorities	To provide assurance to the Committee that risks to the Council are being managed and appropriate actions are being taken to mitigate risk in accordance with the Council's priority to meet the current and future needs and aspirations of residents and to provide efficient and value for money services, whilst delivering quality front line services.
Key Decision	No
Exempt	No
Consultees/ Consultation	The Risk and Opportunity Policy has been shared with statutory officers, Executive Directors and Group Managers

1. BACKGROUND

- 1.1. The register of corporate risks is presented to each meeting of the Audit Committee.

2. RISK REGISTER

- 2.1. The main changes to the register are:
- 2.2. **WO040 Waste and Recycling:** Although there is still a national shortage of qualified drivers, UBICO have been able to recruit staff which has kept the current level of risk to a manageable level.
- 2.3. **WO008 Cyber security WO009 Data Security:** The current level of risk remains high in light of the heightened threat of cyber attacks. However, there is a constant work programme to ensure security measures remain updated and effective.
- 2.4. **WO00042 2022/2023 Pay Award:** This is a new risk as the annual pay award enters negotiations between Local Government Employers and the recognised Trade Unions.
- 2.5. **WO041 Leisure Services:** Usage numbers have seen an increase, showing a greater level of confidence to use facilities following Covid.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications.

4. LEGAL IMPLICATIONS

- 4.1. None.

5. RISK ASSESSMENT

- 5.1. None.

6. ALTERNATIVE OPTIONS

- 6.1. Members could decide not to adopt the revised Strategy.

7. BACKGROUND PAPERS

- 7.1. The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Previous version of Strategic Risk Register.

- 7.2. These documents will be available for inspection at the Council Offices at Woodgreen, Witney during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

West Oxfordshire District Council - Corporate Risk Register

MODERN COUNCIL SERVICES AND SUSTAINABLE FINANCE													
Risk ID	Description of Risk/Opportunity	Initial Risk Assessment			Existing Control, Mitigation or Contingency	Previous Residual Risk Score			Residual Risk Assessment			Direction of Travel	Risk Response & Further Action
		Impact	likelihood	score		Impact	likelihood	score	Impact	likelihood	score		
WO-037	Government funding is being reduced so in order to operate within a reducing budget envelope, costs must be cut and income increased in order to maintain the current level of services. Risk Logged: January 2022 Risk Owner: S.151 Officer Responsible Officer: S.151 Officer	5	3	15	Investment strategy to increase revenues, ESIP project to reduce the cost of the Waste service, Check and challenge on budget growth requests, Finance monitoring and reporting	5	3	15	5	3	15	→	Difficulty in securing investments that meet PWLB requirements but still generate sufficient levels of additional income. Close project monitoring of the ESIP project required to ensure that sufficient change is delivered in time for the 23/24 budget
WO-040	Waste and Recycling: A general shortage of qualified HGV drivers along with uncertainty over future Covid variants could result in the Waste Contractor being unable to meet its obligations for waste and recycling collections. Risk logged: January 2022 Risk Owner: S.151 Officer Responsible Officer: Publica Group Manager for Commissioning	5	4	20	<ul style="list-style-type: none"> Regular meetings with Contractors to identify any major issues that may affect service delivery, agree contingency measures and feedback to the Council Agreement was reached to compensate the Council for wheeled bin failures Although Covid rates have fallen following the vaccination programme, Covid prevention measures are still in place, including crew 'bubbles', social distancing in the depots and effective cleansing of cabs 	4	1	4	4	1	4	→	14.01.22 It is unclear what effects further variants of the covid virus will have, but the effective control measures will remain in place. 17.03.22 Ubico are continuing to be able to recruit enough drivers to be able to deliver all of the services, so whilst this risk hasn't disappeared within the transport industry, it does at least appear to have reduced. 06.06.22 There is still a national drivers shortage and Covid, but the collection services seem to be coping well and are able to crew effectively with only low absentee number to contend with.
WO-016	Having reduced budgets in line with the original business case there is a risk that Publica does not deliver services in line with the agreed delivery targets. This could result requests for additional budget growth or reduce the flexibility to meet new and amended service requests or lead to budget overspends. Risk logged: April 2022 Risk Owner: Chief Executive Responsible Officer: Publica Group Finance Director	3	4	12	<ul style="list-style-type: none"> Local Political Support / Shareholder Forum National Political Support Scrutiny and Performance Reviews 	3	3	9	3	3	9	→	11 April 2022 -The savings target for 21/22 is a further £0.5m and whilst some steps are in place to deliver this there are pressures building within the organisation in respect of pay capacity to deliver council objectives. The Council has recently approved some additional resource to help resolve some of these issues and steps are being taken to increase resource and deal with pay issues where the labour market is tight. Whilst the year end position is not yet clear early indications are that the budget targets will be met and there will be no budget overspend..

WO-028	<p>In light of an extremely tight labour market and increasing inflationary pressures if Publica or the Council is unable to recruit suitable staff and retain them, particularly in some key service areas then the level of service delivery could be reduced which would impact on residents/communities.</p> <p>Risk logged: April 2022</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Executive Director</p>	3	3	<p>9</p> <ul style="list-style-type: none"> Financial incentives (market force supplement scheme) Work with partners to address skill shortages Review of pay and benefits package. Introduction of career grade structures in Planning and Project Management 	3	3	9	3	3	9	→	<p>6 June 2022 No change in rating. Quarterly performance reports enable any necessary mitigation to maintain service delivery levels to be discussed. A review of recruitment is underway to help ensure the service meets users' needs and is both flexible and modern going forward. Career-graded posts have been introduced into a number of service areas to assist with retention and development of staff. A new training offer has been promoted to staff as another retention measure with over 40 employees now undertaking professional development training. The pay and benefits system is being reviewed and consideration will be given to enhancing the pension scheme.</p>
WO-013	<p>If the Government imposes legislative changes that are not expected then it could have an impact on the Council's finances and other resources.</p> <p>Risk logged: July 2015</p> <p>Risk Owner: Monitoring Officer Responsible Officer: Monitoring Officer</p>	4	4	<p>16</p> <ul style="list-style-type: none"> Horizon scanning, awareness via professional publications Respond to government consultations Monitor potential changes in planning rules and their consequences e.g. penalties for not determining smaller applications on time, and failure to produce a Local Plan 	3	3	9	3	3	9	#REF!	<p>No change in rating. The Council responded to the consultation on Defra's Waste and Resources strategy. The Strategy suggests that garden waste collection should be free which if imposed would have a significant financial impact on the Council. Defra has since published its consultations response which acknowledges the strong opposition from LAs and states this will need to be reconsidered. There are likely to be further developments with Statute once Brexit is concluded. Any financial implications will be considered as part of the update to the Council's MTFS</p> <p>No change in rating. There is currently a lot of interaction with govt agencies and the rate of change of requirements is higher than normal but this is also coupled with more regular interactions.</p>
VO-008	<p>Cyber Security: If the Council's IT System / infrastructure failed due to cyber-attacks and/or virus then system performance could be reduced leading to poor service delivery/financial impact.</p> <p>Risk logged: May 2013</p> <p>Risk Owner: S.151 Officer Responsible Officer: Publica Group Manager for Business Support</p>	5	4	<p>20</p> <ul style="list-style-type: none"> Blocking of USB and other devices PSN compliance Revised policies Staff awareness training BCP in place, reviewed and tested Enhanced encryption software and other specialist cyber tools Investment in cyber training for the ICT Team All Councils have PSN accreditation, which compliments the Cyber Essential Plus. 	4	3	12	4	3	12	→	<p>07.06.22 - Although protection measures are already well established, these are reviewed and updated to ensure they remain effective against new risks</p> <ul style="list-style-type: none"> Submission for the re-accreditation of Cyber Essentials to be sent in February 2022 Progress on the Cyber Security updates and Action Plan is being reported to the Council and Publica on a regular basis. Continual update of Information Asset Register Ongoing Password Audits across our network to evaluate weak passwords Detailed review of Business Continuity & Disaster Recovery Plans in light of the GC situation. Ongoing investment in cyber training and a review of capacity planned Security systems updated to monitor and specifically block attacks related to identified vulnerability All emails received from at risk location are quarantined and inspected by ICT staff before being released Security patches are applied to key system as soon as they are available Mandatory Cyber training rolled out to all staff Cyber briefings given to Council Exec teams and an update going to the Publica Stakeholder Group meeting in April <p>Report taken to the Publica Shareholders in April, outlining a request for additional funding to increase staffing capacity / retention and investment in additional capabilities / technical solutions. CEs attending the meeting agreed in principle the funding and a follow up report finalising the financial requirements both in-year and going forward has been circulated for final sign off</p>

WO-039	<p>If the overall Local Plan housing requirement to 2031 are not met, this may increase the risk of speculative development on non-allocated (windfall) sites in less suitable locations.</p> <p>Risk logged: January 2022</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Group Manager for Strategic Support</p>	3	3	9	<p>Progression of Garden Village AAP to adoption which will enable determination of the current outline planning application for that site. Additional work on the phasing of infrastructure to support the AAP was submitted to the Planning Inspector in March 2022 and subject to subsequent consultation. Following this, the Inspector has confirmed that the AAP is able to progress to the main modifications stage. Officers are also working with other strategic site landowners and developers to put in place agreed masterplans which will enable other current or future applications to be determined. A Masterplan for the West Eynsham SDA was approved by Cabinet on 16 March 2022 and a regular liaison group has been established to further discussions on key topics including Section 106 provisions. Elsewhere, potentially suitable sites will be considered through a forthcoming update of the Council's Strategic Housing Land Availability Assessment (SHLAA) as well as through pre-application discussions on sites which are considered to have realistic development potential.</p>	3	3	9	3	3	9	→	<p>There are two main considerations for housing land supply - the overall Local Plan requirement of 15,950 homes from 2011 - 2031 and the required, rolling supply of deliverable sites over the next 5-year period (currently 2021 - 2026). Because the adopted Local Plan is based on a 'stepped' housing requirement which increases in the second half of the plan period, it is becoming increasingly difficult for the District Council to be able to demonstrate an adequate 5-year supply. This is being compounded by the long-lead in times associated with delivery of the strategic sites which will provide 6,250 homes (40% of the overall requirement). Officers are working proactively with the relevant landowners and developers to expedite matters wherever possible. Initial consideration also being given to the possibility of benchmarking housing land supply against West Oxfordshire's standard method housing figure instead of the higher local plan requirement. This is potentially possible from September 2023 (i.e. 5-years from adoption of the Local Plan).</p>
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Key to Officers

Risk Owner

S.151 Officer: Elizabeth Griffiths
Monitoring Officer: Angela Claridge
Chief Executive: Giles Hughes

Responsible Officer

Publica Group Finance Director: Frank Wilson
Publica Executive Director - Service Delivery: Sue Pangbourne
Publica Business Manager for Business Support: Phil Martin
Publica Head of Legal Services: Susan Gargett
Publica Group Manager for Commissioning: Claire Locke
Publica Group Manager for Strategic Support: Andy Barge
Publica Business Manager for Data and Growth: Stuart Rawlinson
Publica Data Protection Officer: Tony Oladejo
Publica Business Manager for Development Control: Phil Shaw

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