

Wednesday, 22 March 2023

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## AUDIT AND GOVERNANCE COMMITTEE

You are summoned to a meeting of the Audit and Governance Committee which will be held in the Council Chamber, Woodgreen, Witney OX28 1NB on **Thursday, 30 March 2023 at 6.00 pm.**



Giles Hughes  
Chief Executive

To: Members of the Audit and Governance Committee

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

Recording of Proceedings – The law allows the public proceedings of Council, Executive, 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 23 November 2022.
2. **Apologies for Absence**  
To receive any apologies for absence.
3. **Declarations of Interest**  
To receive any declarations from Members of the Committee on any items to be considered at the meeting
4. **Participation of the Public**  
To receive any submissions from members of the public, in accordance with the Council's Rules of Procedure.
5. **Provisional Member Induction and Training Programme (Pages 9 - 14)**  
Purpose:  
To introduce the Committee to the Provisional Member Induction and Training Programme.  
  
Recommendation::  
To ask the Committee to approve the Provisional Member Induction and Training Programme.
6. **Counter Fraud and Enforcement Unit Update Report (RIPA and IPA Annual Update) (Pages 15 - 22)**  
Purpose:  
To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will 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 provides 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.  
  
Recommendation:  
The Committee Resolves to:
  - I. That the Committee note and comment on the report and work plan at Annex A.
7. **Internal Audit Progress Report (Pages 23 - 48)**  
Purpose:  
Committee to receive an update on the Internal Audit Progress.  
  
Recommendation:  
Committee to note the Internal Audit Progress update.

8. **Internal Audit Plan and Internal Audit Charter (Pages 49 - 68)**

Purpose:

To present to the Audit and Governance Committee the Internal Audit Plan 2023/24 for consideration and approval.

To present the updated Internal Audit Charter for consideration and approval.

Recommendation:

That the Audit and Governance Committee resolves to approve the proposed Internal Audit Plan 2023/24 and Internal Audit Charter 2023/24

9. **Corporate Risk Register Update (Pages 69 - 78)**

Purpose:

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

Recommendation:

That the Strategic Risk Register be noted.

10. **Audit findings report (Pages 79 - 116)**

Purpose:

To update the committee on the findings of the external audit of the 21/22 financial year as the audit draws to a close. The accounts are not yet ready to sign and for reasons beyond our control cannot be signed for several months but this gives the committee the opportunity to review the findings of the audit work.

The Council thanks Grant Thornton for all of their work on this audit.

Recommendation:

That the committee notes this report.

11. **Audit and Governance Committee Work Programme 2022/23 (Pages 117 - 124)**

Purpose:

Committee to note the Work Programme 2022/23.

Recommendation:

Committee to note and update where necessary the Work Programme 2022/23.

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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 **Wednesday, 23 November 2022**

#### PRESENT

Councillors: Alaric Smith (Chair), Ruth Smith (Vice-Chair), Andrew Beaney, Owen Collins, Julian Cooper, Colin Dingwall, Jane Doughty, David Jackson, Norman MacRae MBE, Michele Mead, Elizabeth Poskitt, Andrew Prosser and Alex Wilson

Officers: Lucy Cater (Assistant Director SWAP), Emma Cathcart (Counter Fraud Unit Manager) and Frank Wilson (Group Finance Director - Publica), Georgina Dyer (Chief Accountant), Michelle Ouzman (Democratic Support Officer) and Anne Learmonth (Democratic Support Officer).

#### **17 Minutes of Previous Meeting**

The minutes of the meeting held on 26 October 2022 were approved and signed by the Chairman as a correct record.

#### **18 Apologies for Absence**

Apologies for absence were received from Councillors Bull and Hill.

Councillor Eaglestone substituted for Councillor Bull and Councillor Wilson substituted for Councillor Hill.

Councillor Wilson and Councillor Ruth Smith had informed the Chair that they would both be late.

Councillor Beaney and Councillor Collins both arrived a few minutes late.

#### **19 Declarations of Interest**

Declarations of Interest were received as follows:

Councillor Dingwall declared that he was in receipt of Council Tax reduction.

#### **20 Participation of the Public**

There was no participation of the public.

#### **21 Counter Fraud and Anti-Corruption Policy**

The Head of Service, Counter Fraud and Enforcement Unit introduced the updated Counter Fraud and Anti-Corruption Policy. The policy had been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures. The policy replaces the existing Counter Fraud and Anti-Corruption Policy.

Councillors were pleased to see the updates on the policy were marked in red, clarity was sought on service charging and linked policies.

After consideration the Committee **resolved** to

Endorse the Counter Fraud and Anti-Corruption Policy to Cabinet

23/November2022

## 22 Counter Fraud and Enforcement Unit Fraud Risk Strategy

The Head of Service, Counter Fraud and Enforcement Unit (CFEU) introduced the Counter Fraud and Enforcement Unit Fraud Risk Strategy which outlined more specific detail relating to fraud risk across the Council. The work stream now included the completion of the appended checklists, which would inform any areas of weakness, and the drafting of service specific fraud risk registers to make risk more relatable for staff. The CFEU would work with the higher risk service areas first such as Revenues, Benefits, Housing and Procurement.

Councillors commented that the report was well written, clear and understandable. Clarity was asked for in relation to the number of offices that the CFEU had. It was confirmed that there was now an office located at the Council.

Councillors **resolved** that the strategy and accompanying report be noted.

## 23 Counter Fraud and Enforcement Unit Update Report

The Head of Service, Counter Fraud and Enforcement Unit introduced the Counter Fraud and Enforcement Unit update report which detailed the work of the team across the Council. This included the post payment activities relating to the Business Grant schemes and the Test and Trace payments. The report also outlined the enforcement outcomes resulting from the support provided to the regulatory enforcement teams.

The Committee were surprised that only one fixed penalty had been issued for fly tipping offences and urged more prosecutions in this area.

When asked to clarify what the work involved relating to the review of the housing waiting list, the Head of Service confirmed that officers were proactively verifying the details supplied by applicants on the housing allocation list. This could include removal of those that had secured alternative rental accommodation or those that had not declared their correct circumstances.

Councillors **resolved** to note the report.

## 24 Internal Audit Progress Update

The Assistant Director for SWAP (Internal Audit Services), introduced the internal audit progress report.

Councillors sought clarity on various limits mentioned in the procurement card audit report, the lower limit was £500 and the maximum was £2000, however there were discretionary temporary increases to the limit, on occasion.

A Low limited assurance had been offered based on the controls in place. The Assistant Director confirmed that the Business Manager for Finance was already in discussions with the bank. The new system which is being introduced, and processes will improve the controls. Agreed actions will be followed up in due course.

Councillors were interested to know detail of the ICT high reasonable assurance, and asked whether the Council should be concerned. Officers were able to confirm that recommendations were already applied and in place.

The Committee **resolved** to note the Internal Audit Progress Report.

23/November2022

**25 S106 delivery timelines**

The Assistant Director for SWAP (Internal Audit Services), informed the committee of the progress on the internal S106 audit. The Committee thought that residents' perception was that S106 projects took a long time and asked if auditors could explain how these projects were managed.

Officers confirmed that the auditor's report was in draft stage and should be completed by the next committee meeting.

The Committee was interested to know what funds were available in specific areas or wards, how long projects were taking, and the start and completion timescales.

Officers confirmed that the S106 Team were now able to report on this information, Councillors could ask the team specific requirements and they would be able to confirm when the reports could be written.

The Committee **resolved** to note the update on the S106 report.

**26 Corporate Risk Register Update**

The Group Finance Director introduced the Councils Corporate Risk Register giving a summary of the main changes, concluding that West Oxfordshire District Council (WODC) was not alone in facing these risks, all Councils across the country were facing the same issues. Councillors discussed the high risk items that had been captured, and the huge challenges facing the Council to mitigate these issues.

The Committee **resolved** to note the Strategic Risk Register update.

**27 Grant Thornton Update**

The Chief Accountant informed the Committee that Grant Thornton were still working with officers. Progress had not been as swift as the team had wished, due to officers working on the budget for the new financial year and as a result of the extra sampling and testing. The staff availability will be reduced as it gets closer to the end of the year. This will put a further pressure on timelines as officers will be finalising the budget and preparing for financial year end.

The Committee thanked the staff all their efforts and hard work that had been put into working with the external auditors.

The Committee **resolved** to note the report from Grant Thornton.

**28 Audit and Governance Committee Work Programme 2022/23**

The Council's Internal Auditors were working with Democratic Services to update the Committee's Work Programme for the rest of the current and for the next financial year.

**Resolved** the Committee noted the update.

The Chair announced that there may be an additional Committee meeting in January if the Audit Report from Grant Thornton was completed.

The Meeting closed at 7.29 pm

CHAIR

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 <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>	<p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>AUDIT AND GOVERNANCE COMMITTEE</b></p>
<p>Subject</p>	<p><b>MEMBER TRAINING</b></p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Councillor Mathew Parkinson, Cabinet Member for Customer Delivery Email: <a href="mailto:Mathew.Parkinson@westoxon.gov.uk">Mathew.Parkinson@westoxon.gov.uk</a></p>
<p>Accountable officer</p>	<p>Andrew Brown, Business Manager for Democratic Services Email: <a href="mailto:Andrew.Brown@publicagroup.uk">Andrew.Brown@publicagroup.uk</a></p>
<p>Report author</p>	<p>Andrew Brown, Business Manager for Democratic Services Email: <a href="mailto:Andrew.Brown@publicagroup.uk">Andrew.Brown@publicagroup.uk</a></p>
<p>Summary/Purpose</p>	<p>To update the Committee on the plans for member training post-election and the recommendations of the Standards Sub-Committee relating to equality and diversity and social media training for members.</p>
<p>Annexes</p>	<p>Annex A – Draft member induction and training programme</p>
<p>Recommendation(s)</p>	<p><i>That the Audit and Governance Committee resolves to:</i></p> <ol style="list-style-type: none"> <li><i>1. Note and comment on the report and the draft member induction and training programme (Annex A).</i></li> <li><i>2. Agree that training on equality and diversity awareness, the use of social media, and the Members’ Code of Conduct are made mandatory for all councillors and should be undertaken at least once in a councillor’s term of office, within six months of their election.</i></li> <li><i>3. Agree to receive future reports on member training that name any councillors who have not attended mandatory training.</i></li> <li><i>4. Request that the Constitution Working Group considers recommending to Council amendments to the Constitution to reflect the requirements for councillors to attend mandatory training.</i></li> </ol>
<p>Corporate priorities</p>	<p>Working Together for West Oxfordshire</p>

Key Decision	No
Exempt	No
Consultees/ Consultation	Chief Executive Cabinet Member for Customer Delivery

## 1. BACKGROUND

1.1 The Audit and Governance Committee has a responsibility to promote, maintain and assist the achievement of high standards of conduct by councillors and co-opted members in accordance with the Council's Code of Conduct for Members. This includes a responsibility to secure adequate and appropriate training of councillors and co-opted members on the Code of Conduct for Members.

1.2 This report is presented to the Committee in response to the following resolution which was made at a meeting of the Standards Sub-Committee on 22 February 2023:

*To recommend that the Audit and Governance Committee considers an officer report on member training and development and that equality and diversity awareness training, and training on the use of social media, are made mandatory for all Councillors and should be undertaken on a regular basis.*

1.3 The Committee is recommended to note and comment on the report and the draft member induction and training programme which is attached at Annex A.

## DRAFT MEMBER TRAINING AND INDUCTION PROGRAMME

2. At the local elections on 4 May 2023, 17 of the 49 seats on the Council will be up for election. In preparation for supporting councillors post-election officers have drawn up a draft member training and induction programme, which is attached at Annex A. The draft programme includes some planned induction and training sessions which are specifically aimed at new councillors, as well as sessions that are aimed at all councillors, or councillors with certain responsibilities (e.g. members of planning and licensing committees who must attend the relevant training prior to determining any application).

2.1 It is proposed that new councillors will be invited to attend a choice of two welcome sessions to be held at different times of day on the Wednesday after the elections. Returning councillors will also be more than welcome to attend these sessions. It is proposed that the welcome sessions include, among other things, a light touch training session on the Code of Conduct for Members. This would be followed with more in-depth Code of Conduct training in the summer once the Council's incoming Monitoring Officer is in post.

- 2.2 In addition to training provided by the Council, either directly or indirectly, councillors will be signposted to other training resources such as training sessions and webinars hosted by the Local Government Association, some of which are highlighted in Annex A.
- 2.3 The Standards Sub-Committee has recommended that training on equality and diversity and social media are made mandatory for all councillors and should be undertaken regularly. The recommendation arose from a hearing where a (now former) councillor was found to have breached the Code of Conduct for Members in respect of respect and bullying.
- 2.4 The Council's Communication Team has previously offered social media training for councillors, although to date such training has been poorly attended. The Council would need to engage a specialist external provider to deliver equality and diversity training for councillors. The going rate for an external trainer is c. £2k including VAT.
- 2.5 It is not currently mandatory under the Council's Constitution for councillors to undertake training on the Code of Conduct for Members, although this has been strongly encouraged. The Committee, in view of its role in securing adequate training on the Code of Conduct for Members, is recommended to consider making Code of Conduct training mandatory for all councillors.

### **3. FREQUENCY OF MANDATORY TRAINING**

- 3.1 The Committee may wish to form a view on how regularly councillors should attend training on social media, equality and diversity, and the Code of Conduct for Members. The Committee may wish to consider what frequency is sufficient to ensure that all councillors can be trained to the required standard and that training will be well attended, bearing in mind that some members may choose not to engage with social media at all, for example. Options would be for such training to be delivered:
  - annually
  - biennially
  - once in a members' term of office (i.e. every 4 years).
- 3.2 Where the training is delivered by an external provider holding the training more frequently increases cost, whereas for training delivered internally the impact will be on officer time.
- 3.3 It is recommended that all councillors are required to attend mandatory training on social media, equality and diversity and the Code of Conduct for Members once in their term of office, within six months of their election.

### **4. SANCTION FOR NON-ATTENDANCE OF MANDATORY TRAINING**

- 4.1 Consideration should be given to what making councillor attendance at training would mean in practice and what sanction could be applied to any member who failed to attend mandatory training.
- 4.2 It is recommended that the Committee receives regular reports on member training and that such reports name any members who have not undertaken mandatory training. If the committee agrees to the frequency of mandatory training being once in a councillor's term

of office within six months of their election then such reports would be presented to the Committee in election years after the six months have passed.

## **5. OTHER SUPPORT ARRANGEMENTS FOR NEW MEMBERS**

- 5.1 It is intended that the Business Manager for Democratic Services will in April write to election candidates, and separately to serving councillors who are not up for election, with details of the induction and training programme, including key induction and training dates.
- 5.2 All councillors elected on 4 May will be issued with a welcome pack at the count which will contain useful information about the Council and being a councillor. The welcome pack will also be available digitally.
- 5.3 New members will be allocated a “buddy” from the Democratic Services Team who will act as their first point of contact for general support for a few months as they settle into their role as a councillor.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The Council has allocated a budget of £4,000 per annum for member training. This is sufficient to fund two externally-provided training sessions per year. Alternatively the funding may be apportioned to groups to enable members to attend external training courses.

## **7. LEGAL IMPLICATIONS**

- 7.1 There is no legal requirement for the Council to make member training mandatory but doing so may be considered good corporate governance and member support practice.

## **8. RISK ASSESSMENT**

- 8.1 If members are not trained on the Code of Conduct there is a risk of an increase in the number of complaints against members.

## **9. EQUALITIES IMPACT**

- 10. All newly elected councillors will be invited to declare any special requirements relating to the provision of training and Democratic Services will work with the individual to ensure that any such needs are met.

## **11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 11.1 There are no climate and ecological emergencies implications arising from this report.

## **12. BACKGROUND PAPERS**

- 12.1 None.

(END)

Annex A: DRAFT WODC Member Induction and Training Scheme 2023-24

<i>Welcome session</i>				
<i>Content</i>	<i>Target audience</i>	<i>Delivery</i>	<i>Cost</i>	<i>When</i>
<b>Introduction to the Council</b> <ul style="list-style-type: none"> <li>• Corporate welcome</li> <li>• Publica overview</li> <li>• Overview of welcome pack and induction</li> <li>• How the Council works</li> <li>• Code of Conduct</li> <li>• Declaration of acceptance of office (if not done at count)</li> <li>• Official photograph</li> <li>• Buddying (Dem Services Officers with new members / new Cabinet Members with an Assistant Director)</li> <li>• Tour of building</li> </ul>	New members	Internal – Retained officers, Publica Directors Assistant Director locality leads, Democratic Services	Officer time	10 May 2023 (10am and 5pm) A ‘meet and greet’ opportunity by holding this event in person and allowing for networking over coffee break or similar  2.5 hours

<i>Skills based training</i>				
<i>Type of training</i>	<i>Target audience</i>	<i>Delivery</i>	<i>Cost</i>	<i>When</i>
<b>Code of conduct and Constitution</b>	All	Internal – Monitoring Officer and Chief Executive	Officer time	July 2023 TBC
<b>Planning skills</b> To ensure that all members are equipped with the essential planning knowledge and skills they needs as committee members/substitutes and ward councillors	All	Planning Business Manager	Officer time	24 May @ 3pm after Annual Council OR 30 May @ 10am before Lowlands
<b>Licensing</b> An introductory course to ensure that the Licensing Committee members are equipped to determine applications.	Licensing members	Licensing Team Leader	Officer time	TBC (1.5 hours)

<b>Introduction to the Council's Finances</b>	All	Chief Finance Officer	Officer time	19 July @ 4.00pm after Council?
<b>Audit training &amp; fraud awareness</b>	Audit and Governance Committee	SWAP, Chief Finance Officer & Head of Counter Fraud Unit	1 day?	TBC Summer/Autumn 2023
<b>Social media</b>	All	Communications team	Officer time	TBC Summer/Autumn 2023
<b>Equality and Diversity</b>	All	External TBC	c. £2k	TBC Summer/Autumn 2023
<b>Media skills for lead members</b>	Cabinet Members	External – Media First. Publica wide?	c. £4k	TBC Summer/Autumn 2023
<b>Emergency Planning - The role of the District Council in emergencies</b>	All	Internal - BM for Corp Governance & Emergency Planner	Officer time	TBC Summer/Autumn 2023

*Other external training resources*

<i>Type of training</i>	<i>Target audience</i>	<i>Delivery</i>	<i>Cost</i>	<i>When</i>
Personal safety for elected representatives	All	External LGA online training	Free	As available (1.5 hours)
Political leadership skills – collection of elearning modules, work books, online resource & leadership essentials programme. <a href="#">New councillor hub   Local Government Association</a> <a href="#">Councillor e-learning   Local Government Association</a>	All Member	External – LGA Explore if the LGA could facilitate a virtual meeting to present and provide an overview	Free	As available

 <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>	<p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>Audit and Governance Committee: Thursday 30 March 2023</b></p>
<p>Subject</p>	<p><b>Counter Fraud and Enforcement Unit Report</b></p>
<p>Wards affected</p>	<p>All indirectly</p>
<p>Accountable member</p>	<p>Councillor Andy Graham, Leader of the Council Email: <a href="mailto:Andy.Graham@westoxon.gov.uk">Andy.Graham@westoxon.gov.uk</a></p>
<p>Accountable officer</p>	<p>Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: <a href="mailto:Emma.Cathcart@cotswold.gov.uk">Emma.Cathcart@cotswold.gov.uk</a></p>
<p>Summary/Purpose</p>	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.</p> <p>The report also provides 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.</p>
<p>Annexes</p>	<p>Annex A – Work Plan 2022/2023</p>
<p>Recommendation</p>	<p>That the Committee considers the report and work plan at Annex A.</p>
<p>Corporate priorities</p>	<p>Modern Council Services and Sustainable Finance: 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>Work plans are agreed and reviewed regularly with the Deputy Chief Executive.</p> <p>Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the Governance Group and Corporate Management for comment.</p>

## **1. BACKGROUND**

- 1.1. In administering its responsibilities the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.2. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.
- 1.3. The Audit and Governance Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.4. Work plans have been agreed with the Deputy Chief Executive and the Council's Management. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.5. Attached at Annex A is a copy of the work plan for 2022/2023.
- 1.6. The work plan for 2023/2024 is being finalised but will include the following additions:
  - Proactive work in relation to the Council Tax Reduction Scheme (Council Tax Support);
  - Proactive work in relation to small business rates relief;
  - A review of the Homelessness Rent Deposit Scheme;
  - Development of service area fraud risk registers commencing with the higher risk areas;
  - Proactive work within procurement to include a review of small suppliers.

## **2. MAIN POINTS**

### **2.1. Counter Fraud and Enforcement Unit Update**

- 2.2. The CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud across the County – West Oxfordshire will also benefit within the CFEU Partnership although enquiries will be made with Thames Valley Police with a view to joining the Oxfordshire Group.
- 2.3. As part of the fraud risk strategy work stream, the Government Functional Standard and the Local Government FFCL checklists have been completed. These will be summarised and presented to the Deputy Chief Executive with suggested areas of improvement or future work streams. In addition, work will also commence with the Public Business Manager, Governance in relation to integrating the checklist standards within the Annual Governance Statements. A summary of this will be presented to Audit and Governance Committee in due course with an update in relation to the service specific fraud risk registers.
- 2.4. The CFEU has developed a fraud awareness leaflet and whistle-blowing flowchart to be issued to all staff for information and with an update confirming that the Counter Fraud and Anti-Corruption and Whistle-Blowing Policies have recently been updated. The leaflet

will also form part of the induction pack for new starters. A copy can be issued to the Committee if requested.

- 2.5. The CFEU have been heavily supporting work streams created as a consequence of the pandemic by providing advice relating to fraud risk and abuse, most significantly in relation to the Business Grant and Energy Rebate Schemes.
- 2.6. All post payment assurance activities have now been completed by the CFEU in relation to the Business Grant Schemes. Our focus has now moved to debt; recovery, reconciliation and transfer to BEIS.
- 2.7. As previously reported as part of the post payment review, invoices totalling £713,287 have been raised and of this figure, £267,042 has been recovered. Following the receipt of further evidence and reconsideration of decisions, £64,040 has been credited after review. £382,205 remains outstanding. Examples of these cases relate to payments made to businesses that were not trading at the appropriate date, where premises were in fact empty or where duplicate payments have been made. To provide some context, West Oxfordshire District Council paid out £50,465,394 in business grants between April 2020 and March 2022.
- 2.8. Work has commenced regarding the new Energy Bills Support Scheme Alternative Funding and the Alternative Fuel Payment Alternative Funding Scheme.
- 2.9. All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
  - In relation to the matches relating to the 2020/2021 and 2021/2022 data sets, the position is as reported in the November 2022 report. An update relating to increased Council Tax revenue and Penalty administration will be provided within the next CFEU report to the Audit and Governance Committee.
  - The team have received 1000 matches relating to the 2022/2023 data sets. There are still further matches to follow. These will be reviewed in due course.
- 2.10. This year, the review of the Housing Waiting included the verification of applications within Emergency Band (39 applications) and Gold Band (84 applications). This resulted in 41 recommendations being referred to the Housing Team. 4 Emergency Band and 10 Gold Band applications have been removed, 2 applications were downgraded. The review of the Silver Band applications is scheduled to be completed by 31 March 2023.
- 2.11. Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £3,240 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily. The loss avoidance figure for this area of work so far is £45,360. This is in addition to the loss avoidance generated by the NFI Housing Waiting List review.
- 2.12. The Test and Trace assurance work is complete with 25% of all successful applications having been reviewed. 202 payments have been reviewed resulting in 45 cases of recovery totalling £22,500.
- 2.13. The team continue to work with ERS in relation to the Private Rental Sector Minimum Energy Efficiency Standards (MEES) Project. As part of a national drive, the Council is working with landlords to ensure their properties comply with these standards. Where

landlords continue to fail to meet the minimum standards, they may be subject to a penalty of £5,000 for each breach, enforceable by the Council. Following the initial review, the team have proactively reviewed 18 properties across the district in relation to landlords who failed to engage.

- 2.14. In addition to the work carried under the annual work plan attached at Annex A, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work.
- 2.15. 2022 / 2023 (to 28 February 2023):
- The team received 66 referrals from across the Council and closed 69 cases. This excludes any Council Tax Reduction Scheme referrals.
  - The CFEU supports Enforcement Teams across the Council. Work undertaken with the ERS and Planning Teams resulted in 2 successful prosecutions. A business pleaded guilty to an offence under the Health and Safety at Work Act and received a Fine of £5,400. Two individuals pleaded guilty to failing to comply with a Planning Enforcement Notice. They were fined £16,000. In both cases, costs were awarded totalling £4,380. In addition, 2 Fixed Penalty Notices, totalling £400, were issued in relation to environmental crime.
  - The CFEU undertakes Member Code of Conduct Investigations and found that there had been a breach relating to a Town Council matter. A Standards Panel was convened and the breach was upheld. Sanctions in relation to training were recommended.
  - The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and act as the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. 66 referrals were received and 51 cases were closed. Increased Council Tax revenue of £9,669 has been raised. 2 Civil Penalties and 2 Criminal Penalties totalling £1,678 have been issued.
- 2.16. Between 1 April 2022 and 31 December 2022, the team received 7 referrals relating to disciplinary matters and closed 6 cases. Of the cases that have been closed, results as follows:
- 2 cases relating to offensive / abusive conduct – resulted in no further action.
  - 1 case relating to offensive / abusive conduct. The individual received a final written warning.
  - 1 case relating to falsifying of timesheets. The individual received a written warning for misconduct.
  - 2 cases were referred to HR, the CFEU were not further instructed.
- 2.17. **Regulation of Investigatory Powers Act 2000 (RIPA) / Investigatory Powers Act 2016**
- 2.18. The Council's policies are based on the legislative requirements of these Acts and the Codes of Practice relating to directed surveillance and the acquisition of communications data.
- 2.19. The Policies were reviewed and presented to the Audit and Governance (General Purposes) Committee in November 2019; these were adopted by Cabinet in December 2019.
- 2.20. As reported in March 2022, the RIPA Surveillance and Covert Human Intelligence Source Policy was updated to reflect the new Covert Human Intelligence Sources (Criminal Conduct) Act 2021 which makes provision for those acting as covert agents to commit crime whilst undertaking their duties does not apply to the Council. There have been no subsequent amendments to date.

- 2.21. The Use of the Internet and Social Media in Investigations and Enforcement Policy, presented to Audit and Governance (General Purposes) Committee in September 2021 and adopted by Cabinet in November 2021. The roll out of this Policy and associated Procedure across the CFEU Partnership has begun.
- 2.22. The Council must have a Senior Responsible Officer and Authorising Officers to approve any applications for surveillance or the use of a Covert Human Intelligence Source, before the Court is approached. The Senior Responsible Officer is the Chief Executive, Giles Hughes and the Authorising Officers are the Deputy Chief Executive, Elizabeth Griffiths and the Interim Head of Legal Services, Helen Blundell.
- 2.23. All applications for communications data are made online via the National Anti-Fraud Network (NAFN) which acts as the single point of contact for Councils. There is a requirement for the Council to nominate a Designated Senior Officer who will confirm to NAFN that the Council is aware of any request and approves its submission. This role is undertaken by the Counter Fraud and Enforcement Unit.
- 2.24. The CFEU delivered refresher training to all enforcement staff and the Authorising Officers in 2021.
- 2.25. There have been no RIPA applications made by the Council during 2022/2023, one application for communications data was submitted. There has been no Non-RIPA applications made during 2022/2023.
- 2.26. The Council takes responsibility for ensuring its procedures relating to surveillance and the acquisition of communications data are continuously improved and all activity is recorded

### **3. FINANCIAL IMPLICATIONS**

- 3.1. The report details financial savings generated by the Counter Fraud and Enforcement Unit.

### **4. LEGAL IMPLICATIONS**

- 4.1. In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.
- 4.2. The Authority is also required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

### **5. RISK ASSESSMENT**

- 5.1. The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.
- 5.2. Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.
- 5.3. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.
- 5.4. The RIPA and IPA Policies demonstrate the Council's consideration of necessity, proportionality and public interest when deciding on surveillance activity or the decision to obtain personal communication data. The application of the Policies and Procedures, to

govern surveillance and the obtaining of personal communications data, minimises the risk that an individual's human rights will be breached. Furthermore it protects the Council from allegations of the same.

## **6. EQUALITIES IMPACT**

- 6.1. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

## **7. ALTERNATIVE OPTIONS**

- 7.1. This Unit is working with all Gloucestershire Local Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations.
- 7.2. The Service is a shared one across the County and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

## **8. BACKGROUND PAPERS**

- 8.1. None.

## Annex A: West Oxfordshire District Council Work Plan 2022/2023

Area of Work	Task
Bribery and Corruption	Assessment Template Review
Bribery and Corruption	Gifts and Hospitality Policy and Procedure Rollout / Awareness
Governance	Delivery of two reports for Audit / and Risk / and General Purposes Committee
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance
Governance	Government Functional Standard 013: Counter Fraud - Compliance
Governance	Development of Service Specific Fraud Risk Register (High Risk Service Areas - TBC)
Governance	Development / Review of Fraud Risk Strategy / Response Plan
Policy	Counter Fraud and Anti-Corruption Policy
Policy	Corporate Enforcement Policy
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy
Policy	Proceeds of Crime & Anti-Money Laundering Policy
Policy	Whistle-Blowing Policy
Policy	RIPA (Surveillance & CHIS)
Policy	IPA (Acquisition of Communications Data)
Policy	Use of the Internet and Social Media in Investigations and Enforcement
Procedure	Development and roll out of Proceeds of Crime and Anti-Money Laundering Procedure
Procedure	Development and roll out of Use of the Internet and Social Media in Investigations and Enforcement Procedure
Serious and Organised Crime	Checklist Review
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data

Area of Work	Task
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC
Strategy : Detection	Housing Waiting List review
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities
Strategy : Detection	SMI Review (sample 20)
Strategy : Detection	Procurement - Supplier Payment Review
Strategy : Detection	Council Tax £150 Rebate - Assurance and Enforcement Activities
Strategy : Detection	Test and Trace - Assurance and Enforcement Activities
Strategy : Detection	Business Grants - Assurance and Enforcement Activities
Strategy : Prevention	Development of Fraud Awareness Literature (staff)
Strategy : Prevention	Development of Right to Buy Debt Recovery Process
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / CPIA, PACE, Disclosure Training
Strategy : Prevention	Private Rental Sector Minimum Energy Efficiency Standard (MEES) Compliance and Enforcement

RIPA = Regulation of Investigatory Powers Act 2000

IPA = Investigatory Powers Act 2016

CPIA = Criminal Procedure and Investigations Act 1996

PACE = Police and Criminal Evidence Act 1984

 <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>	<p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>AUDIT AND GOVERNANCE COMMITTEE – 30<sup>th</sup> MARCH 2023</b></p>
<p>Subject</p>	<p><b>INTERNAL AUDIT PROGRESS REPORT</b></p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Councillor Dan Levy, Executive Member for Finance Email: Dan.Levy@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Elizabeth Griffiths, Chief Finance Officer Email: Elizabeth.Griffiths@westoxon.gov.uk</p>
<p>Report author</p>	<p>Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swpapaudit.co.uk</p>
<p>Summary/Purpose</p>	<p>To present a summary of the audit work concluded since the last meeting of this Committee.</p>
<p>Annexes</p>	<p>Annex A – Report of Internal Audit Activity 2022/23 Annex B – Agreed Actions</p>
<p>Recommendation(s)</p>	<p><i>That the Audit and Governance Committee resolves to:</i></p> <p><i>1. Note the report</i></p>
<p>Corporate priorities</p>	<p>(Internal Audit supports all Council Corporate Priorities</p> <ul style="list-style-type: none"> <li>• Putting Residents First</li> <li>• A Good Quality of Life for All</li> <li>• A Better Environment for People and Wildlife</li> <li>• Responding to the Climate and Ecological Emergency</li> <li>• Working Together for West Oxfordshire</li> </ul>
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>

Consultees/ Consultation	Not Applicable
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## 1. BACKGROUND

The Internal Audit Service is provided to this Council by SWAP Internal Audit Services (SWAP). SWAP is a local authority-controlled company.

The report attached at Annex A sets out the work undertaken by SWAP for the Council since the last meeting of this Committee. It follows the risk-based auditing principles and, therefore, this is an opportunity for the Committee to be aware of emerging issues which have resulted from SWAP involvement.

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

## 2. MAIN POINTS

The progress report enables the Audit and Governance Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.

We have finalised 5 audits since the last meeting of this committee

- Planning Validation Process – Position Statement
- Climate Change (Strategic) – Low Substantial
- SI06 Agreements and Funds – High Limited
- Business Grant Post Payment Assurance (ARG Scheme Winter 2022) – High Substantial
- Continuous Review of Accounts Payable – Reported Quarterly

We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned during 2022/23 has been included for Members information.

## 3. ALTERNATIVE OPTIONS

Not Applicable

## 4. FINANCIAL IMPLICATIONS

The Internal Audit Service is operating within the contract sum.

## **5. LEGAL IMPLICATIONS**

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

## **6. RISK ASSESSMENT**

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

## **7. EQUALITIES IMPACT**

Not Applicable

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

8.1 Not Applicable

## **9. BACKGROUND PAPERS**

9.1 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:

- Internal Audit Reports

9.2 These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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# West Oxfordshire District Council

## Report of Internal Audit Activity

March 2023

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## Contents

The contacts at SWAP in connection with this report are:

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- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

# Internal Audit Definitions

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

- No
- Limited
- Reasonable
- Substantial



## Audit Framework Definitions

### Control Assurance Definitions

<b>No</b>	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.
<b>Limited</b>	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.
<b>Reasonable</b>	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.
<b>Substantial</b>	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.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



## Audit Framework Definitions

### Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
<b>Priority 1</b>	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
<b>Priority 2</b>	Important findings that need to be resolved by management
<b>Priority 3</b>	Finding that requires attention.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

### Definitions of Risk

Risk	Reporting Implications
<b>High</b>	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
<b>Medium</b>	Issues which should be addressed by management in their areas of responsibility.
<b>Low</b>	Issues of a minor nature or best practice where some improvement can be made.

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Procurement Cards	Final Report	Low Limited	6	2	4	-	Reported in November
Governance	Monitoring the Performance of Strategic Commissioned Services	Final Report	High Reasonable	2	-	2	-	Reported in November
ICT	Vulnerability Management	Final Report	High Reasonable	1	-	1	-	Reported in November
Operational	Business Grant Funding – Post Payment Assurance	Final Report	High Substantial	0	-	-	-	Reported in November
Operational	Election Expenses – Treatment of VAT	Final Report	Low Substantial	2	-	-	2	Reported in November
Operational	Planning Validation Process	Final Position Statement	N/A					See Appendix C
Operational	Climate Change (Strategic)	Final Report	Low Substantial	3	-	-	3	See Appendix C
Operational	S106 Agreements and Funds	Final Report	High Limited	5	1	3	1	See Appendix C
Operational	Accounts Payable (Qtly review)	Continuous						See Appendix C
Operational	Business Grant Funding – WODC ARG Scheme (Jan 2022)	Final Report	High Substantial	0	-	-	-	See Appendix C
Key Financial Control	Council Tax and NNDR	Draft Report						
Key Financial Control	Housing Benefit and Council Tax Support	Draft Report						
Key Financial Control	Treasury Management	Draft Report						

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Accounts Receivable	Draft Report						
Key Financial Control	Payroll	In Progress						
Key Financial Control	Bank Reconciliation	In Progress						
Operational	Taxi Licensing Safeguarding	In Progress						
Operational	Business Continuity Management	In Progress						
Operational	Property and Estates Services	Audit Brief Drafted						
Operational	Publica Performance Information	In Progress						
ICT	Business World – Workflow and Approvals	In Progress						
Follow-Up	Asset Management and Commercial Property						To be included in new audit – Property and Estates	
Operational	Management and Monitoring of Contracts						Time to be allocated to new Procurement Audit	
Operational	Mechanism for Charging Council						Commenced but deferred as piece of work being undertaken by Publica Officers	
Support	Business Grant Funding – Post Payment Review	Complete	N/A	-			Head of IA working with Head of Service, Counter Fraud and Enforcement Unit to conduct post payment review	

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Support	Business Grant Funding – Aged Debt	On-Going	
Advisory	Support to the Agile Working Project	Complete						
Advisory	Environmental Services Improvement Programme	On-Going						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Health and Safety Working Group	On-Going						
Certification	Carbon Data	Complete	N/A					
Grant Certification	Test and Trace Payment Scheme	Complete	N/A					
Grant Certification	Contain Outbreak Management Fund	Complete	N/A					
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

## Planning Validation Process – Final Position Statement – December 2022

### **Introduction / Background**

The Planning Validation team was recently created, the goal being for each member of the team to be able to validate planning applications across the 3 partner Councils. We were requested to undertake an audit to provide assurance that effective procedures are in place and that planning applications are validated in accordance with legislation.

Discussions were held with the service area, which identified that processes were still being updated, and that not all Officers are currently able to work flexibly across the 3 Councils. Due to this it was agreed that an assurance opinion would not add value at this current stage. Instead, we have sought evidence to support statements made, and based our conclusion on analysis of planning validation data, control testing where applicable, publicly available information, and observations during our review.

We will revisit this area with a view to providing an assurance opinion once ongoing work has been completed.

### **Findings**

#### **1. Staff Training**

Validation Support Team Leader advised that staff training is underway but will not be complete until September 2023. We found up to date procedures are not in place. Without these there is an increased risk of errors, as well as a risk of validations not being completed within agreed timescales.

#### **2. Validation Checklists**

At the start of the audit, all checklists were due for review. We have been informed that checklists were sent to Portfolio Holders, Members, and Senior Management to view before going live with the documents. Although it has been reported that positive feedback has been received, the “go live” date has been delayed from the end of the year until 1<sup>st</sup> February 2023. This is due to a predicted backlog of invalid claims throughout the Christmas period. Prior to this date, we have been informed that communication with agents, consultants, and residents is planned, as well as updating the websites and planning portals.

#### **3. Uniform Templates**

At present, Officers do not have access to complete autogenerated templates within Uniform – the reasons for invalid applications are being updated, which is planned to come into effect when the new checklists go live in February 2023.

#### **4. Performance, KPIs, and Monitoring**

There is a disconnect between KPI reporting by the Business Information Lead, and the Validation Team. The Business Manager is not involved in the current KPI reporting process, which sees information collated by the Business Information Lead in the form of a Development Manager Dashboard. There is also a dashboard which is sent to Members, which contains a Validation KPI within. The Business Manager was unaware of which KPIs are being reported in these dashboards, and to whom they are being reported.

The Business Manager collates and uses their own KPIs, however, the disconnect detailed above suggests silo working is in place. Silo working needs to be resolved as soon as possible to ensure consistent information is being reported, and that thorough oversight is maintained.

Customer satisfaction is not monitored at service level, however the Business Manager wants to introduce the monitoring of informal complaints. This will feed into KPI reporting, and help obtain a sense of how the team are performing. Whilst it is encouraging to see the use of management data, it should be noted, that each Council has a formal complaint process in place which should be made available to an applicant.

Benchmarking is not undertaken outside of the Publica environment. We suggest that the team regularly benchmark against other district Councils (other than CDC, WODC, and FODDC) to compare processing times, fees and charges, and information available to customers.

#### 5. Data Analysis

High level data analytics (DA) were performed using the Validation Tracker on applications received between 1<sup>st</sup> January and 21<sup>st</sup> September 2022.

From the DA performed, we can see that:

- The Validation team have a target of 7 days to validate an application. The average amount of days to validation for each Council between January – September 2022 was:  
WODC: 5 days  
FODDC: 9 days  
CDC: 7 days
- In June 2022, each Council validated the following percentages of applications received:  
WODC: 85% (234 applications received)  
FODDC: 90% (124 applications received)  
CDC: 95% (262 applications received)

#### **Conclusion**

We recognise that the team are still working on processes, and discussions have confirmed that some developments are not planned to be delivered until well into the new financial year. Based on our findings it is unlikely that robust and consistent processes for flexible working across all Councils will be in place soon.

The areas that lead to this conclusion are as follows:

- Time to develop fully trained Officers – The current estimated date for all Officers to be fully trained is September 2023, but this may be longer if there is staff turnover. The need for current up to date procedures is even more important in the current circumstances.
- Delays in publishing validation guidance (checklists) on each of the Council's websites - The final versions of the checklists provided to us are dated June 2022. Waiting until February 2023 will mean the service will have had more than six months to consult and engage with all interested parties. We would not assess this as being an effective process. Up to date accurate information must be available to both the Officers and the public, and the go live date must not be delayed further (currently planned to be February 2023).
- Expected backlogs during the Christmas period - We would suggest that service demand is likely to decrease during the festive season, therefore predicting a backlog does not give confidence that the service can deliver its goals.

On a final note, although not in the scope of this review as it is not the responsibility of the Planning Validation Team, we did note a business continuity risk with WODC's tree application process - there is only one Officer who deals with these applications and records are not digitally held. This area should be reviewed to ensure management are comfortable with current arrangements.

## Accounts Payable Continuous Auditing Analysis – Final Report – December 2022

### Audit Objective

The objective of the continuous review is to identify potential duplicate payments, summarise, and present to the AP team for remedial action.

### Audit Scope

Our review covers a period of 2 years, checking for potential duplicate payments at WODC, and between WODC and/or Publica, CBH or another Council. Findings have been summarised and reported to the Accounts Payable team for further review and remedial action where necessary. Findings have been followed-up during the subsequent review.

### Assurance Opinion

Quarter 1



Quarter 2



Quarter 3

Quarter 4

The assurance provided above relates only to the controls and processes operated by the Publica Accounts Payable service.

WODC officers and Publica service area officers are responsible for approving invoices for payment and therefore must ensure robust checks are undertaken prior to authorising a payment. This will help to limit the risk of duplicate payments being processed.

Testing / Findings	Q1 (July 22)	Q2 (Nov 22)	Q3	Q4
Total Number of Payments made	1131	972		
Number of potential duplicate payments identified (paid twice by WODC)	5	3		
Potential duplicate payments as a % of the total number of payments made for the quarter	0.4%	0.3%		
Value of potential duplicate payments	£8,679	£743		
Total value of payments to be recovered	£1,452	£7,702		
Number of potential Duplicate Payments identified (paid by WODC and another organisation)	0	1		
Potential duplicate payments as a % of the total number of payments made for the quarter	-	0.1%		
Value of potential duplicate payments	0	£162		
Total value of payments to be recovered	£0	£162		

### For Information

This continuous report will be included within the annual AP audit report and will support the annual assurance score.

## Climate Change (Strategic) – Final Report – January 2023

### Audit Objective

To ensure effective governance arrangements are in place to support and challenge the delivery of the Councils' corporate priority(ies) for Climate Change and the actions set out within Environment and Climate Strategy(ies).

### Assurance Opinion



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.

### Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	3
<b>Total</b>	<b>3</b>

### Risks Reviewed

The Council experiences reputational damage, and potential financial loss, through failing to deliver on one of its corporate priorities and commitment to achieve carbon neutrality, and take appropriate action to mitigate the threat of climate change and its associated impacts.

### Assessment

**Low**

### Key Findings

	In June 2019, WODC declared a climate and ecological emergency and made a commitment to become carbon neutral by 2030. Full Council approved WODC's Carbon Action Plan in October 2020 and the Climate Change Strategy in February 2021. Biannual Climate Action and Annual Monitoring Reports to Cabinet (recently renamed the Executive) advise on Strategy and Plan progress. A Climate and Environment Overview and Scrutiny Committee meet regularly to support the Climate Agenda by requiring Carbon Action Plan updates or specific project updates for scrutiny at every meeting. Anyone can sign-up for WODC Climate Action Bulletins which are published quarterly.
	KPIs previously reported to the Cross-Party Climate Action Working Group will be reviewed and updated as part of the WODC's wider Climate Strategy and Carbon Action Plan refresh. As this group has been disbanded, KPIs will now be reported to the Climate and Environment Overview and Scrutiny Committee. Consideration could be given to including Climate KPIs in performance reporting to the Executive.
	WODC Climate Officers recognise a requirement to review and update the Climate Change Strategy and Carbon Action Plan. Work will commence now the new WODC Council Plan has been approved to ensure objectives are appropriately linked. References to the Cross-Party Climate Action Working group will be updated and Climate Officer's responsibilities will be defined within the Climate Change Strategy and Carbon Action Plan.
	Risk Registers presented to WODC Audit and Governance Committee will be updated to reflect the associated risks of WODC failing to deliver corporate priorities and carbon neutral targets.

### Audit Scope

Our review focussed on the following areas:

- A Council Plan, Climate Change Strategy, and Carbon Action Plan have been developed and received Member approval to support the delivery of the authority's climate agenda.
- Oversight and co-ordination of the delivery of the climate corporate priority, Climate Change Strategy and Carbon Action Plan.
- Climate Change objectives are SMART (Specific, Measurable, Attainable, Relevant and Timely).
- Performance monitoring and reporting.

Discussions were held with the Publica Business Manager – Assets and Council Priorities, and WODC's climate change team.

Scope Limitations: Climate change operations and carbon reduction were not included in this review as separate audits focusing on these areas have been planned.

### **Additional Information**

The WODC Climate Impact Assessment Tool (CIAT) is designed to support decision making by indicating the potential climatic, environmental and social impacts. Officers will be required to complete an CIAT to ensure projects and policies are meeting the Council's commitments to climate. Once the CIAT criteria has been completed, a dashboard and report will indicate any positive and negative impacts on a range of environmental and social considerations, and whether further review or changes are required. Informal Cabinet are aware that a phased roll-out is planned, and the CIAT will be subject to review.

WODC committee report templates are updated to ensure specific implications are considered as priorities evolve. For example, templates now include a 'climate and ecological emergencies implications' heading. However, updates have not been communicated to all template users. A process should be implemented to rectify this.

To ensure WODC can continue to meet their ambitious climate agenda, it is important that the Executive, Council and Committees support the Climate Team's key role in reducing carbon emissions through allocating sufficient resources.

## Section 106 Agreements and Funds – Final Report – March 2023

### Audit Objective

To provide assurance on the effectiveness of WODC's Section 106 controls and procedures.

Assurance Opinion	Number of Agreed Actions		Risks Reviewed	Assessment
 <p>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.</p>	Priority	Number	1. S106 contributions are not received by the council and/or obligations are not met by developers, leading to reputational damage and financial loss.	Low
	Priority 1	1		
	Priority 2	3	2. Monitoring arrangements are unclear, leading to missed deadlines and unspent/returned monies.	Medium
	Priority 3	1		
	Total	5		

### Key Findings

	Analysis of the current position regarding historic cases evidenced shortcomings in some areas of monitoring. Cases were identified where the deadline (as specified in the S106 agreement) by which developer contributions had to be spent had expired. These funds totalled approximately £280,000 and consisted of historic cases which were not being actively monitored. This may result in monies having to be repaid to the developers. This issue requires urgent resolution.
	Reporting to Members on the position of S106 within the authority is currently restricted to the annual Infrastructure Funding Statement as per government requirements. This is published in December each year. However, the reporting period contained covers the previous financial year, meaning that this data is already nine months old by the time it is seen by Members.
	Some historic agreements have 'Spend by Date' entered, in Excaom, as 1990 or were left blank, as data was missing. We were advised that these agreements did not have a repayment clause but were still subject to monitoring. However, potentially there is a risk agreements with these parameters will not be monitored as expected and triggers will not be actioned, which could result in the Council holding on to unspent funds.
	We performed an independent reconciliation between S106 income invoiced during the years 20/21 & 21/22 and figures stated in the corresponding year's IFS. Our calculations show differences of £85,112 (20/21) and £469,897 (21/22) with a number of invoices raised not being included in the IFS and vice versa. The accruals accounting concept states that revenues (and expenses) should be matched to the period in which they are recognised and incurred.

### Audit Scope

The audit sought to confirm that, following the introduction of Exacom:

- Triggers are identifiable, monitored and actioned in a timely manner.
- Monies received are utilised by the Council in accordance with the agreement.
- Reporting to Senior Management and Members meets statutory requirements.
- Appropriate consultation with internal departments when drafting S106 agreements is undertaken.

The period audited was 2021/22.



Enquiries indicate that there is no formal sign off of the reconciliation of S106 balances between Exacom and Business World. This represents a weakness in control and heightens the likelihood of misstatement or fraud.

#### Other Relevant Information

The previous audit in this area took place in 2018/19 and gave rise to several agreed actions. These have been addressed by the introduction of the Exacom software, with improved monitoring controls, ensuring triggers are identified and acted upon, particularly in respect of new and active agreements. However, control weaknesses with the historic agreements and missing information need to be resolved urgently so that the integrity of data within the Exacom system can be assured.

We also examined the internal consultation process between departments which was found to be consistent and fit for purpose.

With regard to the Community Infrastructure Levy (CIL), this has yet to be adopted by WODC, although there have been several unsuccessful attempts to do so. Further efforts to introduce a CIL charging schedule are planned for later this year. Although the implementation of CIL is not compulsory for local authorities, income created from it's realisation could contribute to the costs of infrastructure projects and aid developmental growth in the WODC area.

## Post Payment Assurance ARG Scheme (Winter 2022) – Final Report – March 2023

### Audit Objective

To provide assurance that COVID-19 related business grants were paid to eligible businesses, in accordance Council Policy and Guidance

### Assurance Opinion



A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

### Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	0
<b>Total</b>	<b>0</b>

### Risks Reviewed

If sufficient checks and controls are not in place, ineligible recipients may receive COVID-19 business grants resulting in potential financial, fraud and reputational risk to the Council.

### Assessment

Low

### Key Findings

In the Winter of 2022 WODC approved an Additional Restrictions Grant Policy (January 2022) to support businesses that had continued to be severely impacted, due to Covid restrictions, since 1<sup>st</sup> December 2021. A number of conditions were placed on applications and specific sectors were targeted to be invited to apply.

As part of the post payment review, evidence and data that was submitted originally as part of the application process, was re-reviewed and calculations for profit / loss margins re-performed. An assessment was made on the applications, in respect of the grant paid, compared to businesses with a similar new profit / loss position.

Of the 227 approved applications reviewed 11 applications were identified as needing a further review by the CFEU. IA can confirm that the CFEU have conducted further investigation into the identified cases and, where appropriate, invoices have been raised in respect of overpayment.

We can confirm there were no significant findings.

### Audit Scope

We reviewed a sample of awarded / paid applications eligible for the Winter 2022 Additional Restrictions Grants (January 2022), introduced to support businesses that were continuing to be severely impacted by COVID-19.

677 applications were awarded; audit reviewed 227 applications (33%)

### Further Comment

Grant applications were assessed and processed as per the Council Policy and guidance.



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# Agreed Actions - West Oxfordshire DC

Report Date: 15th March 2023

Issue ID	Audit	Issue Title	Issue Status	Priority Score	Action Plan Status	Revised Timescale	Revised Timescale 2	Action Plan Remediation Date	IA Comment
<b>OPEN / OUSTANDING AGREED ACTIONS</b>									
393	PUB - Revenues and Benefits - 2020/21	CDC / WODC - Housing Benefit not reconciled during 2020 (Pentana 44592)	Pending Remediation	2	In Progress	31/01/2021	30/11/2022		Followed Up during Annual Audit. Work in Progress.
392	PUB - Revenues and Benefits - 2020/21	CDC and WODC - Officer system access is not revoked when it is no longer required. (Pentana 44540)	Pending Remediation	3	In Progress	31/03/2021	31/03/2023		Followed Up during Annual Audit. Work in Progress.
402	PUB - Payroll - 2021/22	Outstanding balances accumulating in suspense accounts (Pentana 46799)	Pending Remediation	3	In Progress	30/06/2022	31/12/2022	31/08/2023	Followed Up during Annual Audit. Work in Progress.
396	PUB - Revenues and Benefits - 2021/22	Regular Financial Reconciliations (HB) are not completed (CDC and WODC) (Pentana 46965)	Pending Remediation	2	In Progress	30/06/2022	30/11/2022		Followed Up during Annual Audit. Work in Progress.
395	PUB - Revenues and Benefits - 2021/22	Backlogs exist in processing Housing Benefits claims (CDC, FoDDC and WODC) (Pentana 46966)	Pending Remediation	3	In Progress	30/11/2022	30/11/2022	30/06/2023	Followed Up during Annual Audit. Work in Progress.
397	PUB - Revenues and Benefits - 2021/22	Regular Financial Reconciliations (CT and NNDR) are not completed (CDC and WODC) (Pentana 46965)	Pending Remediation	2	In Progress	30/11/2022			Followed Up during Annual Audit. Work in Progress.
394	PUB - Revenues and Benefits - 2021/22	Revenues: Inconsistent practices are operating across the service (Pentana 46628)	Pending Remediation	3	In Progress	31/12/2022			Followed Up during Annual Audit. Work in Progress.
403	PUB - Accounts Receivable - 2021/22	Write off Separation of duties. (Pentana 47056)	Pending Remediation	2	In Progress	31/10/2022			Followed Up during Annual Audit. Work in Progress.
404	PUB - Accounts Receivable - 2021/22	Debt Management, recovery and write off guidance. (Pentana 47096)	Pending Remediation	2	In Progress	31/10/2022	31/03/2023		Followed Up during Annual Audit. Work in Progress.
305	PUB - Vulnerability Management (Shell) - Apr 2022	Device Security Status Checks (Pentana 47107)	Pending Remediation	2	In Progress	31/03/2023	31/03/2023		
296	WODC - Procurement Cards - Aug 2022	Key Finding 1 – Non-Compliance with Council Policy (Pentana 47405)	Pending Remediation	1	In Progress	30/09/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
297	WODC - Procurement Cards - Aug 2022	Key Finding 2 – Card Security and Unused Cards (Pentana 47406)	Pending Remediation	1	In Progress	30/09/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
298	WODC - Procurement Cards - Aug 2022	Key Finding 3 – Recharge of Card Spend (Pentana 47407)	Pending Remediation	2	In Progress	31/12/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
299	WODC - Procurement Cards - Aug 2022	Key Finding 4 – Policy Updates (Pentana 47408)	Pending Remediation	2	In Progress	31/12/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
300	WODC - Procurement Cards - Aug 2022	Key Finding 5 – Cardholder Agreements (Pentana 47409)	Pending Remediation	2	In Progress	31/12/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
301	WODC - Procurement Cards - Aug 2022	Key Finding 6 – Transparency Reports (Pentana 47410)	Pending Remediation	2	In Progress	31/12/2022	31/03/2023		Policy has been drafted. With CFO for review and comment.
311	WODC - Election Expenses Treatment of VAT - Aug 2022	BW financial management system training (Pentana 47511)	Pending Remediation	3	In Progress	31/03/2023			
312	WODC - Election Expenses Treatment of VAT - Aug 2022	VAT code check list for invoice processing (Pentana 47595)	Pending Remediation	3	In Progress	31/03/2023			
769	WODC - Climate Change Strategy - September 2022	KPI Review and Update	Pending Remediation	3	In Progress	30/09/2023			
770	WODC - Climate Change Strategy - September 2022	Strategy and Plan Refresh	Pending Remediation	3	In Progress	30/09/2023			
771	WODC - Climate Change Strategy - September 2022	Risk Register Climate Risks	Pending Remediation	3	In Progress	30/09/2023			

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Unrestricted

Issue ID	Audit	Issue Title	Issue Status	Priority Score	Action Plan Status	Revised Timescale	Revised Timescale 2	Action Plan Remediation Date	IA Comment
918	WODC - S106 Agreements and Funds 2022/23	Unspent historic funds (Pentana 47743)	Pending Remediation	1	In Progress	31/03/2023			
919	WODC - S106 Agreements and Funds 2022/23	'Spend by Date' either blank or 01/01/90 (Pentana 47868)	Pending Remediation	2	In Progress	31/03/2023			
920	WODC - S106 Agreements and Funds 2022/23	S106 Agreement Reporting (Pentana 47869)	Pending Remediation	2	In Progress	31/03/2023			
921	WODC - S106 Agreements and Funds 2022/23	Reconciliation Procedure	Pending Remediation	2	In Progress	31/03/2023			
922	WODC - S106 Agreements and Funds 2022/23	Reconciliation Sign Off (Pentana 47828)	Pending Remediation	3	In Progress	31/03/2023			
<b>COMPLETED / CLOSED AGREED ACTIONS</b>									
44563	Cyber Security - Incident Management	Tracking mechanism for ongoing and recurring vulnerabilities.	Closed	3	Complete	31/12/2021	30/06/2022	11/07/2022	
45223	Human Resources (Learning & Development)	There is no Learning Management System in place	Closed	3	Complete	31/03/2022		06/07/2022	
45249	Human Resources (Learning & Development)	Third parties and/or temporary staff working for or on behalf of the Council are not required to carry out mandatory training modules	Closed	2	Complete	31/03/2022		06/07/2022	
45287	Human Resources (Learning & Development)	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.	Closed	2	Complete	30/09/2021	30/11/2021	06/07/2022	
45266	Human Resources (Learning & Development)	Course completion data extracted from iHasco is unreliable and incomplete, meaning it cannot be used for reliable reporting and training monitoring	Closed	3	Complete	31/10/2021		06/07/2022	
45452	ICT Audit Deployment of Anti-Malware Devices	Process to check for anti-malware status and coverage.	Closed	3	Complete	31/10/2021	30/04/2022	11/07/2022	
44560	Cyber Security - Incident Management	The Incident Management Policy, along with the Information Security Framework of policies, were last updated in 2017.	Closed	2	Complete	30/04/2021	30/09/2022	13/10/2022	
44561	Cyber Security - Incident Management	Incident Response plans are not fully documented.	Closed	3	Complete	31/12/2021	30/09/2022	15/09/2022	
44562	Cyber Security - Incident Management	Incident Management and investigation procedures are not documented.	Closed	2	Complete	31/12/2021	30/09/2022	15/09/2022	
45973	Risk Management (CDC, FoDDC, WODC, Pub)	Universal Risk Register Templates are to be issued, with consideration of dedicated Risk Management Tooling.	Closed	2	Complete	31/10/2021	31/12/2022	23/09/2022	
45115	Systems Administration	Privileged user accounts activity	Closed	2	Closed - Recommendation Complete	31/01/2022			
45236	Systems Administration	A lack of control surrounds the Business World SYSTEM account.	Closed	2	Complete	31/01/2022			
45747	ICT Audit Data Recovery Capabilities	A Data Recovery Test Schedule was not available.	Closed	3	Complete	31/12/2021			
45890 Unrestricted	H&S - Fire Risk Assessments	Fire Risk Assessments Work Schedule is not current and incomplete	Closed	2	Complete	31/12/2021			

Issue ID	Audit	Issue Title	Issue Status	Priority Score	Action Plan Status	Revised Timescale	Revised Timescale 2	Action Plan Remediation Date	IA Comment
46080	Emergency Planning (CDC, FoDDC, WODC)	Gold Commanders have not undertaken training in the last 3 years.	Closed	2	Complete	31/12/2021	30/06/2022	17/05/2022	
46220	Procurement - Contract Management and Monitoring	Contract could not be located - WODC	Closed	3	Complete	31/03/2022	30/06/2022	12/04/2022	
46222	Procurement - Contract Management and Monitoring	Contractor's BCP arrangements are not reviewed	Closed	3	Complete	31/03/2022		08/06/2022	
46119	Emergency Planning (CDC, FoDDC, WODC)	No guidance for the use of Emergency Response WhatsApp groups.	Closed	2	Complete	31/12/2021	31/03/2022	04/05/2022	
46168	Emergency Planning (CDC, FoDDC, WODC)	Statutory roles and responsibilities are not clearly defined	Closed	2	Closed - Recommendation Complete	31/12/2021		04/05/2022	
46851	ICT - Control of Accounts with Administrative Privileges	Privelege Account Access	Closed	3	Complete	30/11/2022		04/04/2022	
47089	ICT - Control of Accounts with Administrative Privileges	Last (current) Logged on user	Closed	3	Complete (Client Self Assessment)	30/11/2022		04/04/2022	
47032	ICT - Control of Accounts with Administrative Privileges	Administrator Rights	Closed	3	Closed - Recommendation Complete	30/11/2022		05/01/2023	
46565	Governance of Programmes and Projects	Statutory Officers not consulted on project/programme governance decisions; Framework requires updating	Closed	2	Closed - Recommendation Complete	30/09/2022		11/01/2023	
46807	Governance of Programmes and Projects	Inconsistencies with the quality of key milestones.	Closed	2	Closed - Recommendation Complete	30/09/2022		03/11/2022	
391	WODC - Monitoring the Performance of Strategic Commissioned Services - 2021/	Risk Relating to Strategic Partnerships (WODC) (Pentana 46714)	Closed	2	Complete	31/12/2022		16/01/2023	

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 <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>	<p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>AUDIT AND GOVERNANCE COMMITTEE – 30<sup>th</sup> MARCH 2023</b></p>
<p>Subject</p>	<p><b>INTERNAL AUDIT PLAN 2023/24 AND INTERNAL AUDIT CHARTER</b></p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Councillor Dan Levy, Executive Member for Finance Email: Dan.Levy@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Elizabeth Griffiths, Chief Finance Officer Email: Elizabeth.Griffiths@westoxon.gov.uk</p>
<p>Report author</p>	<p>Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swpapaudit.co.uk</p>
<p>Summary/Purpose</p>	<p>To present to the Audit and Governance Committee the Internal Audit Plan 2023/24 for consideration and approval. To present the updated Internal Audit Charter for consideration and approval.</p>
<p>Annexes</p>	<p>Annex A – Proposed Internal Audit Plan 2023/34 Annex B – Internal Audit Charter 2023/24</p>
<p>Recommendation(s)</p>	<p><i>That the Audit and Governance Committee resolves to:</i></p> <p style="padding-left: 40px;"><i>1. Approve the proposed Internal Audit Plan 2023/24 and Internal Audit Charter 2023/24</i></p>
<p>Corporate priorities</p>	<p>(Internal Audit supports all Council Corporate Priorities</p> <ul style="list-style-type: none"> <li>• Putting Residents First</li> <li>• A Good Quality of Life for All</li> <li>• A Better Environment for People and Wildlife</li> <li>• Responding to the Climate and Ecological Emergency</li> <li>• Working Together for West Oxfordshire</li> </ul>
<p>Key Decision</p>	<p>NO</p>

Exempt	NO
Consultees/ Consultation	Not Applicable

## I. BACKGROUND

### Internal Audit Plan

The primary role of Internal Audit is to provide assurance that the Council's systems provide for a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with the Council's Management Team and the Audit and Governance Committee. The Internal Audit service is provided to the Council by SWAP Internal Audit Services (SWAP).

In order to satisfy the requirements of the Public Sector Internal Audit Standards (PSIAS) and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk-based plan.

The core financial systems delivered to the Council by Publica are covered within the Core Financials section of the Audit Plan. The scope of audits will include both Publica and client-side activities providing;

- Assurance to the client (West Oxfordshire District Council) over the controls, and system controls, operated by Publica Officers, for each financial module
- Periodic assurance over the other services provided by Publica.
- The required support to the External Auditor.

### Internal Audit Charter

The Internal Audit Charter is a requirement of the arrangement between West Oxfordshire District Council and SWAP. The charter ensures compliance with good practice as set out in the International Professional Practices Framework of the Institute of Internal Auditors and the Public Sector Internal Audit Standards (PSIAS).

The Charter demonstrates how the Internal Audit service will operate, and forms part of the requirements of the Public Sector Internal Audit Standards.

The Charter provides guidance on authority, accountability, customer care (quality control), independence, reporting, responsibility and audit standards.

## 2. MAIN POINTS

### Internal Audit Plan

A summary of the Proposed Internal Audit Plan for 2023/24 is included in the Annex 'A'. This lists the risk-based assurance and consultancy work planned for the year. Counter fraud related audit work has not been included in this audit plan.

The Plan outlines a programme of work for 2023/24 as developed throughout January and February 2023 but due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month rolling plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management, and the Chief Financial Officer and review of the Authority's risk register will be considered in this process.

The audit plan contains an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

### Internal Audit Charter

Without an approved charter there is a risk that SWAP will not have:

- The support of management and the Council
- Direct access and freedom to support senior management including the Head of Paid Service and the Audit and Governance Committee
- Access to any records, personnel or physical property of the Council for audit work.

## 3. ALTERNATIVE OPTIONS

Not Applicable

## 4. FINANCIAL IMPLICATIONS

There are no direct financial implications

## 5. LEGAL IMPLICATIONS

The Council operates an Internal Audit function in line with requirements of the Accounts and Audit Regulations 2015. There are no direct legal implications arising from this report

## 6. RISK ASSESSMENT

The weaknesses in the control framework, identified by the Internal Audit activity, continues to threaten organisational objectives if recommendations are not implemented. There are no significant issues or risks in the attached report..

## 7. EQUALITIES IMPACT

Not Applicable

## 8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 Not Applicable

## 9. BACKGROUND PAPERS

9.1 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:

- Internal Audit Reports

9.2 These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

(END)

# West Oxfordshire District Council

## Proposed Internal Audit Plan 2023/24

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2023/24 financial year.

### Introduction and Objective of the Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit and Governance Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

## Internal Audit Planning 2023/24

The proposed 2023/24 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

**Internal audit is only one source of assurance and should be considered as such.**

### Update to Approach

Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month rolling plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2023/24 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit activity.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit and Governance Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

## Internal Audit Risk Assessment (updated)

Our 2023/24 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for West Oxfordshire District Council



*It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.*

Core Audit Areas – Areas of Coverage and Brief Scope	Responsible Officer
<p><b>Core Financials – Publica Controls and Transactional Testing</b>  <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i></p> <ul style="list-style-type: none"> <li>• <i>Accounts Payable (Creditors) – to include regular check of potential duplicate payments and reporting to AP service for investigation. Approvals on BW</i></li> <li>• <i>Accounts Receivable (Debtors) – Aged Debt</i></li> <li>• <i>Treasury Management</i></li> <li>• <i>Bank Reconciliation</i></li> <li>• <i>Main Accounting</i></li> <li>• <i>Procurement – suggested area to be agreed with BM based on highest risk to organisations</i> <ul style="list-style-type: none"> <li>- <i>Process for appointing consultants</i></li> <li>- <i>Waivers - Audit to assess if contract waivers are being requested and approved in accordance with strategy / policy</i></li> </ul> </li> </ul>	<p style="text-align: center;"><b>Group Finance Director</b></p> <p style="text-align: center;"><b>Assistant Director – Business Services</b></p> <p style="text-align: center;"><b>Business Manager - Finance</b></p>
<p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• <i>Payroll – suggested area to be agreed with BM based on highest risk to organisations.</i> <ul style="list-style-type: none"> <li>- <i>Accuracy and timeliness of data for mileage / overtime, approvals, self-serve.</i></li> </ul> </li> <li>• <i>Human Resources – suggested area to be agreed with BM based on highest risk to organisations.</i> <ul style="list-style-type: none"> <li>- <i>Input into Business World – Accuracy and timeliness of data for sickness, leave, approvals, self serve</i></li> </ul> </li> </ul>	<p style="text-align: center;"><b>Assistant Director – Organisational Effectiveness</b></p>
<p><b>Revenues and Benefits</b>  <i>A review of the controls operating in respect of:</i></p> <ul style="list-style-type: none"> <li>• <i>Council Tax</i></li> <li>• <i>National Non-Domestic Rates</i></li> <li>• <i>Housing Benefit and Council Tax Support</i></li> </ul> <p><i>Scope to be confirmed</i></p>	<p style="text-align: center;"><b>Assistant Director – Residents’ Services</b></p>
<p><b>ICT Audits</b>  <i>Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</i></p>	<p style="text-align: center;"><b>Assistant Director – Business Services</b></p>
<p><b>Regulatory Services</b>  <i>A review of either Licensing / Building Control / Environmental Health – suggested area to be reviewed is Licensing.</i>  <i>A review of an element of Planning e.g. application processing, appeals, income allocation.</i>  <i>Area and scope to be confirmed</i></p>	<p style="text-align: center;"><b>Assistant Director – Residents’ Services</b></p>

## Internal Audit Planning 2023/24

<b>Planning Validation</b> <i>Review to follow non-opinion audit undertaken in 2022/23. This review is to be undertaken to offer an assurance opinion over the new process.</i>	<b>Assistant Director – Planning and Sustainability</b>
<b>Business Continuity Planning</b> <i>Business Continuity Planning arrangements to be assessed for two Service Areas</i>	<b>Assistant Director – Organisational Effectiveness</b>
<b>Proposed Audit Areas – Areas of Coverage and Brief Scope</b>	<b>Responsible Officer</b>
<b>Business Grant Post Payment</b> <i>Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS</i>	
<b>Counter Fraud and Enforcement Unit</b> <i>Review to include processes operated by CFEU, access to data, reporting and governance</i>	
<b>Freedom of Information Requests (Fol)</b> <i>Audit to include Framework, Processes, Training and Quality Control</i>	
<b>Data Protection</b> <i>Security of Data, training provision, reporting arrangements</i>	
<b>Transparency Data</b> <i>Review to ensure all data is published in accordance with the Transparency Agenda</i>	
<b>Climate Change - Operational</b> <i>Review to assess what business areas are doing to support the Council's commitment to the Climate Emergency</i>	
<b>Carbon Reduction</b> <i>Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.</i>	
<b>Environment Legislation</b> <i>Review to ensure procedure / systems have been updated to ensure compliance with Environment Act</i>	
<b>Funding Provided by Government</b> <i>Review to ensure processes are in place to support outcomes of funding provided by Central Government e.g. Levelling Up, Shared Prosperity</i>	
<b>Section 106s</b> <i>Review to follow up audit undertaken in 2022/23. This review is to include timelines, triggers and procedure</i>	
<b>Section 106s</b> <i>Review to assess pre-application consultation, request and allocation of funds</i>	

## Internal Audit Planning 2023/24

<p><b>Grant Income</b>  <i>Audit to assess the effectiveness of the management of grant income by Business Managers. To include communications with the Finance Service and the allocation of income.</i></p>	
<p><b>Homelessness Rent Deposit Guarantee (RDG) Scheme</b>  <i>Review to include procedure / process, agreements, recovery of funds, write offs</i></p>	
<p><b>Escalating Operational / Strategic Risks</b>  <i>Review to assess how high scoring operational / strategic risks are included on the Council's Corporate Risk Register, to ensure Statutory Officers are aware of any potential risks to the Council and can suggest measures for mitigation</i></p>	
<p><b>Governance around decision making processes and reporting to the Council (and Dual Contracts)</b>  <i>Review of the governance for decisions made on behalf of the Council and inclusion of Dual Contracts</i></p>	
<p><b>Staff Welfare</b>  <i>Assessment of the support in place for staff welfare, during world, national and local issues which may impact staff wellbeing. To Include training for members and officers, data collated from leaver exit interviews and how actioned, issues raised in one to ones (collated and actioned)</i></p>	
<p><b>Procurement Strategy</b>  <i>Review to ensure procurement of new contracts is in accordance with the updated, and approved, strategy</i></p>	
<p><b>Risk and / or Performance Management</b>  <i>To review a specific element of the Council's Risk or Performance Management Process                      Scope to be confirmed</i></p>	
<p><b>Governance of Programmes and Projects</b>  <i>Accuracy of information included in monthly updates</i></p>	
<p><b>Leisure and Culture Facilities</b>  <i>Review to determine how the Council ensures the leisure service provider(s) are adhering to statutory Health and Safety regulations. Review to include the examination of tests such as fixed wire testing, fire alarm systems and emergency lighting tests</i></p>	
<p><b>Property and Estates (Compliance and Health and Safety)</b>  <i>Review to assess property related Health and Safety arrangements at the Council's properties, ensuring compliance with legislation e.g. legionella, lifts, risk assessments.                      Review of Estates processes to include lease / rent reviews, inspections, landlord responsibilities, complaints</i></p>	
<p><b>Community Infrastructure Levy (CIL) Governance (2024/25)</b>  <i>Review of the governance of CIL, as adopted by the Council, review to include benchmarking to similar councils and recommendations for improvements</i></p>	

# Internal Audit Planning 2023/24

<p><b>Community Grants (Mandatory and Discretionary) (2024/25)</b>  <i>How is the Council performing and is VFM considered, review to include benchmarking</i></p>	
<p>Proposed audits will be considered, during the year, and discussed with Business Managers, Assistant Directors, CFOs and / or CEOs to confirm scope, timing and if it remains appropriate to undertake the audit. Liaison meetings will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated, and agreed with CFOs as necessary</p>	
<p><b>Further requested assurance / advisory / support work</b></p>	
<p><b>Other Audit Involvement</b></p>	
<p><b>Management</b>  <i>Preparation of IA Monitoring Reports and preparation and attendance at Audit and Governance Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFOs and Management Teams. IA Team Liaison Meetings with Business Managers.</i></p> <p><b>Follow-Up Audits</b>  <i>Follow-Up of Previous Year's Agreed Actions</i>  <i>Follow-Up audit of all High Priority Agreed Actions</i></p> <p><b>Programmes and Projects</b>  <i>IA support to programmes and projects as appropriate (to include Environmental Services Improvement Programme ESIP)</i></p> <p><b>Specialist Groups</b>  <i>IA attendance at specialist groups e.g. Health and Safety Working Group, Procurement and Commissioning</i></p> <p><b>Grant Certification</b>  <i>Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)</i></p> <p><b>Working with the Counter Fraud and Enforcement Unit</b>  <i>Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings</i></p> <p><b>Contingency</b>  <i>Provision for new work based on emerging risks and Investigations.</i></p>	



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# West Oxfordshire District Council

## Internal Audit Charter 2023/24

# The Internal Audit Charter

## Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status, and authority of internal auditing within West Oxfordshire District Council (WODC), and to outline the scope of internal audit work.

## Provision of Internal Audit Services

Internal Audit is provided by SWAP Internal Audit Services (SWAP). This Charter forms part of the legal agreement between SWAP partners and should be read in conjunction with the Service Agreement and other key documents including the Data Sharing Protocol.

The budget for the provision of the internal audit service is determined by WODC, in conjunction with the SWAP Members Meeting. General financial provisions are laid down in the legal agreement, including the level of financial contribution, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment which is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

## Role of Internal Audit

The Accounts and Audit (England) Regulations, 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 the public sector internal auditing standards or guidance.”*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation’s operations. It helps WODC accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## Responsibilities of Management, the Audit and Governance Committee and of Internal Audit

### **Management<sup>1</sup>**

Management is responsible for ensuring SWAP has:

- the support of management and the Council; and
- direct access and freedom to report to senior management, including the Council’s Chief Executive and the Audit and Governance Committee.

Management is responsible for establishing (including the tracking and implementation of Internal Audit recommendations) and maintaining internal controls, including proper accounting records and other management information and is also responsible for the appropriate and effective management of risk.

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<sup>1</sup> In this instance Management refers to the Senior Management Team

### ***Audit and Governance Committee<sup>2</sup>***

The Audit and Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director (as Chief Audit Executive<sup>3</sup>) on the progress and outcomes of work undertaken, reviewing the independence, objectivity, performance, professionalism, and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

### ***Internal Audit***

The SWAP Assistant Director is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending action to be taken on the outcome of, or findings from, their work designed to provide assurance and add value.

Internal audit is responsible for operating under policies established by management in line with good practice. A range of SWAP policies exist to underpin staff and service development, including to seek out and implement new innovative audit techniques and increase technological solutions to ensure provision of an efficient and effective service and consolidate the role of Trusted Advisor.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of 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) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to conform with the Standards.

Internal Audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation, or control of any procedures. Members of SWAP who have transferred into the department from other areas in West Oxfordshire District Council and / or Publica Group (Support) Ltd will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

### **Relationship with the External Auditors/Other Regulatory Bodies**

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

### **Status of Internal Audit in the Organisation**

\*The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP and Assistant Director also report to the Section 151 Officer, and to the Audit and Governance Committee as set out below.

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<sup>2</sup> In this instance Audit and Governance Committee relates to "The Board" referred to in the PSIAS.

<sup>3</sup> PSIAS refers to the 'chief audit executive'.

The Assistant Director is the first and primary contact point for the organisation on matters relating to the Audit and Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for design, development, and delivery of audit plans, subject to agreement of WODC.

### **Scope and authority of Internal Audit work**

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls regarding the objectives of the organisation and its services;
- reviewing systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation complies;
- reviewing, as appropriate, the means of safeguarding and verifying assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether they are being carried out as planned, with performance and accountabilities established;
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy (and investigating where necessary), ethical expectations and corporate, social, and environmental values and responsibilities; and
- at the request of management, internal audit may provide consultancy services (e.g., data analytics, benchmarking, strategic/project reviews/investigations etc) provided that:
  - independence is not compromised;
  - necessary skills exist to conduct the assignment, or which can be obtained without undue cost or delay;
  - the assignment scope is clearly defined and management can resource the work; and
  - there is clarity that the activity being undertaken is not internal audit work although the outcomes may contribute to the annual opinion.

### **Planning and Reporting**

SWAP will submit an internal audit plan to Management and the Audit and Governance Committee for approval, setting out the recommended scope of work and which will be developed with reference to current and emerging risks. The plan will be reviewed quarterly to ensure it remains relevant and adequately resourced.

SWAP will carry out the work as agreed, report the outcomes and findings both during and on completion of reviews, and make recommendations on action to be taken to the appropriate officers and copied to the S151 Officer. SWAP will present a regular summary of their work to Management and the Audit and Governance Committee, including assessing the organisation's implementation of previous recommendations along with any significant, persistent, and outstanding issues.

Internal audit reporting will normally comprise a brief presentation to relevant officers and accompanied by an appropriately detailed written report, with the format tailored as necessary to the nature of the work.

The Assistant Director will submit an annual report to Management and the Audit and Governance Committee providing an overall opinion of the status of risk and internal control within WODC based upon, and limited to, internal audit activity conducted during the year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and Assistant Director (Chief Audit Executive) have the unreserved right to report directly to the Leader of the Council, the Chair of the Audit and Governance Committee, the Chief Executive Officer, and the External Audit Manager.

***Revised, March 2023***

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 <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
<b>Name and date of Committee</b>	<b>AUDIT AND GOVERNANCE COMMITTEE – 30 MARCH 2023</b>
<b>Subject</b>	<b>STRATEGIC RISK REGISTER</b>
<b>Wards affected</b>	All
<b>Accountable member</b>	Councillor Andy Graham, Leader of the Council Email: <a href="mailto:andy.graham@westoxon.gov.uk">andy.graham@westoxon.gov.uk</a>
<b>Accountable officer</b>	Giles Hughes, Chief Executive. Tel: 01993 861658 Email: <a href="mailto:giles.hughes@westoxon.gov.uk">giles.hughes@westoxon.gov.uk</a>
<b>Report author</b>	Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity Email: <a href="mailto:cheryl.sloan@publicagroup.uk">cheryl.sloan@publicagroup.uk</a>
<b>Summary/Purpose</b>	The report brings to members the current version of the Strategic Risk Register for information and assurance that risks to the Council are being managed and appropriate actions are being taken to mitigate risk.
<b>Annexes</b>	Annex A – Strategic Risk Register
<b>Recommendation(s)</b>	<i>That the Strategic Risk Register be noted.</i>
<b>Corporate priorities</b>	All
<b>Key Decision</b>	NO
<b>Exempt</b>	No
<b>Consultees/ Consultation</b>	N/A

## **1. BACKGROUND**

- 1.1 The strategic risk register is presented to each meeting of the Audit Committee to provide assurance that risks to the Council are being managed and appropriate actions are being taken to mitigate risk.
- 1.2 Presentation of the risk register also provides an opportunity for members of the Audit Committee to raise questions and highlight any risks which they feel should be referenced and mitigated.

## **2. RISK REGISTER**

- 2.1 The main changes to the register since it was last reported to the Audit and Governance Committee are:

- WO-037 Government Funding. This risk has been reduced as there is now more certainty around funding for 2023/24 and 2024/25, however, the picture after this is still unknown and therefore the risk may increase as we near this uncertainty.
- WO-008 Cyber Security. The risk has been reassessed as the impact of a successful cyber-attack would be significant, however, the likelihood of this happening due to the controls which are being put in place, remains unchanged.
- WO-042 Pay Award. This risk now reflects the negotiations for the 23/24 pay award. The employers' organisation has made an offer for 2023-24. Trade Unions have currently rejected this offer and are proposing a ballot to Union Members.
- WO-43 Inflation. This risk has been added to the Strategic Risk register to capture the increased costs in areas such as building, fuel, wage costs and utilities. This risk is also captured on the Publica Risk Register and FODDC.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications arising from this report.

## **4. LEGAL IMPLICATIONS**

- 4.1 There are no direct legal implications arising from this report.

## **5. RISK ASSESSMENT**

- 5.1 This report relates to the Council's management of risk and identifies the current strategic risks, as such no separate risk assessment has been completed.

## **6. EQUALITIES IMPACT**

**6.1** An equalities impact assessment is not required for this report.

## **7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**7.1** There are no climate or ecological emergency implications arising directly from this report.

## **8. BACKGROUND PAPERS**

**8.1** 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 the West Oxfordshire District Council Strategic Risk Register presented to the Audit and Governance Committee on 23 November 2022.

These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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West Oxfordshire District Council - Strategic 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			Overall Change	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	4	3	12	-3	<input type="checkbox"/>	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. <b>March 2023</b> - More certainty around funding for 23/24 and 24/25, however, picture after this is unknown. Reduced whilst certainty exists.
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 Property and Regeneration	5	4	20	<ul style="list-style-type: none"> <li>Regular meetings with Contractors to identify any major issues that may affect service delivery, agree contingency measures and feedback to the Council</li> <li>Agreement was reached to compensate the Council for wheeled bin failures</li> <li>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</li> </ul>	4	1	4	4	1	4	0	<input type="checkbox"/>	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. 08.09.22 services being sustained with current resources and Covid nor the drivers shortage is currently posing a significant issue. 03.11.22 No change. <b>March 2023</b> - living with Covid now in place and service impact significantly reduced.
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"> <li>Local Political Support / Shareholder Forum</li> <li>National Political Support</li> <li>Scrutiny and Performance Reviews</li> </ul>	3	3	9	3	3	9	0	<input type="checkbox"/>	7 Nov 2022 - Publica has put forward a range of additional investment options to the Councils via the shareholder forum which offer the opportunity for additional savings but also investment in some areas where there are additional service pressures. These will be considered as part of the budget process. <b>March 2023</b> - Ongoing monitoring / Reporting
WO-028	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.  Risk logged: April 2022  Risk Owner: Chief Executive Responsible Officer: Publica Executive Director	3	3	9	<ul style="list-style-type: none"> <li>Financial incentives (market force supplement scheme)</li> <li>Work with partners to address skill shortages</li> <li>Review pay and benefits package.</li> <li>Career grade structures introduced into Planning and Project Management roles</li> </ul>	3	3	9	3	3	9	0	<input type="checkbox"/>	November 2022 - No change in rating. Quarterly performance reports enable any necessary mitigation to maintain service delivery levels to be discussed. A recruitment improvement plan 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 Development Management and Project Management, 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. <b>March 2023</b> - New Assistant Director for Organisational Effectiveness in post who is focusing on the 'people pillar' which includes the ambition to make Publica a great place to work to help improve retention and attract new staff.

NOTES
Elizabeth Griffiths
Scott Williams, Also CDC register as CRR 034
Frank Wilson Also CDC as CDC027
Zoe Campbell  Also on CDC and Publica Risk Register

WO-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 Services</p>	5	4	20	<ul style="list-style-type: none"> <li>Blocking of USB and other devices</li> <li>PSN compliance</li> <li>Revised policies</li> <li>Staff awareness training</li> <li>BCP in place, reviewed and tested</li> <li>Enhanced encryption software and other specialist cyber tools</li> <li>Investment in cyber training for the ICT Team</li> <li>All partner Councils achieved PSN accreditation in Oct 2021</li> <li>Ongoing network Internal &amp; External Penetration checks</li> <li>Regular review of User Privileges</li> </ul>	4	3	12	5	3	15	3	<input type="checkbox"/>	<p><b>March 2023</b> - Level of risk increased as impact of risk reassessed, however, the likelihood remains unchanged as work continues on our approach to cyber security. The Council has recently agreed to an increase in investment in this area which will enable the work previously identified to be taken forward. Although protection measures are already well established, these are reviewed and updated to ensure they remain effective against new risks Cyber Essentials re-accreditation has been approved. Submission for the re-accreditation of Cyber Essentials to be sent in February 2023 Progress on the Cyber Security updates and Action Plan is being reported to the Council and Publica on a regular basis. Cyber Team now in place. Continual update of Information Asset Register Ongoing Password Audits across our network to evaluate</p>	Phil Martin Also on CDC Register and Publica Register as P2
WO-009	<p>Data Security: If there is a loss of data (both on site and as a result of remote/mobile working) / security failure in our IT systems then it could lead to a reduced level of service and have a negative impact on the Council's reputation and finances..</p> <p>Risk logged: May 2013</p> <p>Risk Owner: S.151 Officer Responsible Officer: Publica Group Manager for Business Services</p>	4	4	16	<ul style="list-style-type: none"> <li>Blocking of USB and other devices</li> <li>PSN compliance</li> <li>Revised policies</li> <li>Staff awareness training</li> <li>BCP in place, reviewed and tested</li> <li>Enhanced encryption software and other specialist cyber tools</li> <li>Investment in cyber training for the ICT Team</li> <li>All Councils have PSN accreditation, which compliments the Cyber Essential Plus.</li> </ul>	3	3	9	3	3	9	0	<input type="checkbox"/>	<p>November 2022 (<b>March 2023 - no change</b>) - Level of risk remains static whilst work continues in this area.</p> <p>Although protection measures are already well established, these are reviewed and updated to ensure they remain effective against new risks.</p> <p>Additional online training to reinforce the need for staff to be aware of their responsibilities with regards to data security, passwords and GDPR is being rolled out and will be incorporated into the relaunch of ihasco in November</p> <p>Staff Security Awareness Training including Phishing Training and simulation to educates employees on how to spot and report suspected phishing attempts is being prepared for roll out to staff</p> <p>All emails received from at risk location are quarantined and inspected by ICT staff before being released.</p> <p>Immutable Storage, Network segmentation, Backup &amp; DR processes in place (these are scheduled to be reviewed).</p>	Phil Martin Also on CDC Register and Publica Register as P29
WO-006	<p>The move to permanent agile working arrangements presents a risk that the well being of staff is not properly monitored and reviewed.</p> <p>Risk logged: April 2022</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Executive Director</p>	4	5	20	<ul style="list-style-type: none"> <li>Regular reviews of change process</li> <li>Impact of change measured via Staff forum and staff sickness</li> <li>Comprehensive consultation and engagement process</li> <li>Change management training</li> <li>Joint Liaison Forum</li> </ul>	3	2	6	3	2	6	0	<input type="checkbox"/>	<p><b>March 2023</b> - No change in rating. Investors in People accreditation was achieved by Publica in July 2022 and further work is ongoing to make Publica a Great place to work. Staff consulted on the Office moves and part of the proposed change.</p>	Frank Wilson Also CDC Register CDC 009
WO-036	<p>Without clear and robust procurement procedures, Publica and Partner Councils will not benefit from the most economically advantageous procurement opportunities and may fail to comply with the law governing Public Procurement Rules.</p> <p>Risk logged: January 2021</p> <p>Risk Owner: Chief Executive Responsible Officer: Group Manager Business Services</p>	4	3	12	<ul style="list-style-type: none"> <li>Procurement rules approved Council.</li> <li>Publica Procurement Team able to provide procurement advice and assistance on major procurements.</li> </ul>	3	1	3	3	1	3	0	<input type="checkbox"/>	<p>3/11/22 / <b>March 2023 (no change)</b> - Procurement and Contract Management approved by WODC Audit and Governance Committee. Scheduled to be taken to Cabinet in the New Year. Commissioning and Procurement Board meet monthly to ensure effective commissioning is embedded in the Procurement process. Robust procurement procedures in place.</p>	Ciaran O'Kane Also on CDC as CDC 032 Update for next few months to reflect improvements. Remove when LMT are happy?
WO-042	<p>Pay award - there is a risk that the continued pay award negotiations may result in an solution which is outside of the medium term financial strategy or industrial actions by staff</p> <p>Risk logged: June 2022</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Executive Director for Finance</p>	4	3	12	<ul style="list-style-type: none"> <li>Negotiations have concluded.</li> </ul>	4	5	20	4	5	20	0	<input type="checkbox"/>	<p>November 2022 - the Councils budget includes an allowance for 2.5% pay growth. A settlement has been agreed between the employers and the unions that is a flat cash £1,925 per annum across all employees. This will cost in the order of 6% of the overall paybill and as such is significantly outside the current budget. <b>March 2023</b> - Negotiations underway for the 2023/24 pay settlement. Unions have declined recent pay offer and are balloting members. Whilst potential risk of industrial action, low % of Publica Staff are Union members. Higher numbers in partner organisation, Ubico.</p>	Frank Wilson

WO-43	Inflation - Drivers of inflation are expected to continue for foreseeable future (building, fuel, wage costs, utilities). If there is sufficient budget funding or contingencies built in, this will impact on service delivery (including those services provided via third parties) and the completion of major projects Risk Logged: Feb 2023	4	5	20	Actively monitoring as part of our financial management and project management processes and making relevant representations to central government	2	5	10	2	5	10	0	<input type="checkbox"/>	March 2023 - Being reviewed quarterly and mitigation are being put in place to cover additional costs.
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Frank Wilson / Elizabeth Griffiths.  
Also on Publica and FODDC Risk Register

HEALTHY TOWNS AND VILLAGES														
Risk ID	Description of Risk/Opportunity	Initial Risk Assessment			Existing Control, Mitigation or Contingency	Previous Residual Risk Score			Residual Risk Assessment			Overall Change	Direction of Travel	Risk Response & Further Action
		Impact	likelihood	score		Impact	likelihood	score	Impact	likelihood	score			
WO-041	Leisure Services: It is unclear if numbers of users for Council's Leisure Centres will return to pre-covid lockdown levels. With reduced numbers and a fall in income, the 'Leisure' contractor may struggle to meet their obligations leading to a fall in service standards and reduced customer service..  Risk logged: January 2022  Risk Owner: S.151 Officer Responsible Officer: Publica Group Manager for Commercial Development	5	4	20	Regular meetings with the Leisure Provider will identify any major issues that may affect service delivery, agree contingency measures and feedback to the Council The impact of Covid 19 on our leisure provider has been very significant and fully reported elsewhere within the Council The Council has been partially recompensed by the government for the loss of income during lockdown but there is still an ongoing financial risk to the council	4	2	8	4	2	8	0	<input type="checkbox"/>	17.03.22 Usage numbers are continuing to improve as consumer confidence builds within the industry and the provider is seeing a welcome boost in income. 08.09.22 Usage continues to recover particularly in swimming and swim school thanks to the prolonged hot weather however, the utilities costs are now posing a significant risk for the operator and so we are waiting to see how the package of measure due to be released by the new Government will help mitigate. 03.11.22 GLL have approached the Council with regard to financial support - discussions ongoing. <b>March 2023</b> - discussions still ongoing with GLL

Scott Williams

A VIBRANT DISTRICT ECONOMY														
Risk ID	Description of Risk/Opportunity	Initial Risk Assessment			Existing Control, Mitigation or Contingency	Previous Residual Risk Score			Residual Risk Assessment			Overall Change	Direction of Travel	Risk Response & Further Action
		Impact	likelihood	score		Impact	likelihood	score	Impact	likelihood	score			

WO-038	<p>Failure to effectively integrate proposed improvements to the A40 corridor being taken forward through Oxfordshire County Council's HIF funded Smart Corridor project with the timing of planned development including Salt Cross Garden Village.</p> <p>Risk logged: January 2022</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Group Manager for Communities</p>	4	4	16	<p>WODC to continue to work closely with Oxfordshire County Council as highway authority in relation to the timing of delivery of the A40 Smart Corridor improvements. In parallel, WODC to continue working closely with developers and landowners in respect of the phasing of development and the timing of provision of supporting infrastructure including transport so as to ensure effective integration as far as possible. Additional work on phasing prepare as part of Area Action Plan (AAP) examination. Further recent discussions with OCC in relation to potential forward funding mechanisms. Construction of park and ride site (part of the overall project) now underway but the inter-relationship with the garden village and west Eynsham is less direct. OCC are currently reviewing the scope of the A40 project in light of cost pressures. Further detail on this is expected in April 2023.</p>	3	4	12	3	4	12	0	<input type="checkbox"/>	<p>March 2023: Oxfordshire County Council is currently progressing significant improvements to the A40 through its HIF Smart Corridor project which is now the subject of a planning application. As the scheme is funded through HIF, there are a number of milestones which will need to be met which creates a potential mismatch between the timing of these improvements and related improvements which are needed to support the delivery of some of the local plan strategic sites. An example of this is the provision of a new 'western development roundabout' which will provide the main point of access into Salt Cross Garden Village. Whilst the western roundabout is included in the current A40 planning application, there is currently no funding available for delivery as it falls outside the scope of the HIF funding. As such, whilst the roundabout is expected to ultimately be developer funded, there is no current funding available. Because of the timing of the proposed A40 improvements being taken forward through the HIF funding, there is a risk of the roundabout having to be retrospectively put into place after the substantive works to the A40 having been completed thus increasing cost and disruption. The same principle applies to the proposed underpass between Old Witney Road and Cuckoo Lane. OCC are currently reviewing the scope of the A40 project in light of cost pressures. Further detail on this is expected in April 2023. The outcome of this will need to be taken into account in terms of integration with strategic development schemes including West Eynsham and Salt Cross Garden Village.</p>
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Chris Hargraves

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MEETING THE HOUSING NEEDS OF OUR CHANGING POPULATION

Risk ID	Description of Risk/Opportunity	Initial Risk Assessment			Existing Control, Mitigation or Contingency	Previous Residual Risk Score			Residual Risk Assessment			Overall Change	Direction of Travel	Risk Response & Further Action
		Impact	likelihood	score		Impact	likelihood	score	Impact	likelihood	score			
WO-039	<p>If the overall Local Plan housing requirement to 2031 is 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 Communities</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. Final Inspectors report into the AAP now received. 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. 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. It is also anticipated that the Government will publish changes to the NPPF shortly which will remove the need to demonstrate a 5-year housing land supply where local plans are less than 5 years old. The review of the West Oxfordshire Local Plan also provides an opportunity to 'reset' the housing requirement for West Oxfordshire and consider any slippage in the delay of sites allocated within the adopted local plan.</p>	3	5	15	3	5	15	0	<input type="checkbox"/>	<p>March 2023: 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). The Council's published position statement suggests a 4.1 year supply. However, in a number of recent appeal decisions, the Inspectors have concluded that the supply is less than this. It is anticipated that the Government will publish changes to the NPPF shortly which will remove the need to demonstrate a 5-year housing land supply where local plans are less than 5 years old. In September 2023 when the current local plan becomes 5 years old, the Council has the opportunity to declare its housing requirement out of date and default to the Government's standard method which will improve the supply position. The review of the West Oxfordshire Local Plan also provides an opportunity to 'reset' the housing requirement for West Oxfordshire.</p>

Notes from Frank  
Chris Hargraves

**STRONG LOCAL COMMUNITIES**

Risk ID	Description of Risk/Opportunity	Initial Risk Assessment			Existing Control, Mitigation or Contingency	Previous Residual Risk Score			Residual Risk Assessment			Overall Change	Direction of Travel	Risk Response & Further Action
		Impact	likelihood	score		Impact	likelihood	score	Impact	likelihood	score			
WO-035	<p>Major Civil Emergencies. District Councils are required to provide rest centres for the Public during a Civil Emergency. If staff are unwilling to come forward and volunteer with the running of a rest centre, there is a risk that the Council will be unable to fulfil its duty in providing a safe rest centre. If the Council is unable to provide a sustained response to a major civil emergency, the Council would be failing in fulfilling its statutory duty to assist and care for those affected.</p> <p>Risk logged: January 2021</p> <p>Risk Owner: Chief Executive Responsible Officer: Publica Group Manager for Organisational Effectiveness</p>	3	3	9	<ul style="list-style-type: none"> <li>• Role of Oxford County Council and the use of hotels as an alternative to rest centres.</li> <li>• Small team of volunteers established (although some have left Publica in recent months).</li> <li>• Training and support provided by the County Civil Protection Team.</li> <li>• New staff have emergency planning incorporated in Job Roles.</li> </ul>	2	2	4	2	2	4	0	<input type="checkbox"/>	<p>November 2022 - work is ongoing in this area. A new emergency planning framework is being launched together with a campaign to recruit additional volunteers. Rest centre training was provided to existing volunteers in October.</p> <p><b>March 2023</b> - new Emergency Planning Process now developed, using a locality approach for significant emergencies. Staff are currently being identified and training will then be arranged for all roles and responsibilities to ensure a resilient and robust response is in place.</p>

Zoe Campbell  
Also on CDC as CDC 031

**Key to Officers**

**Risk Owner**

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

**Responsible Officer**

Publica Group Finance Director: Frank Wilson  
Publica Group Manager for Business Services: Phil Martin  
Publica Group Manager for Property and Regeneration: Claire Locke  
Publica Group Manager for Communities: Andy Barge  
Publica Group Manager for Commercial Development: Bill Oddy  
Publica Group Manager for Organisational Effectiveness: Zoe Campbell  
Publica Group Manager for Residents' Services: Jon Dearing  
Head of Legal Services: Helen Blundell  
Publica Business Manager for Data and Growth: Stuart Rawlinson  
Publica Data Protection Officer: Tony Oladejo  
Publica Business Manager for Development Management: Phil Shaw

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 WEST OXFORDSHIRE DISTRICT COUNCIL	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
Name and date of Committee	<b>Audit and Governance Committee - Thursday 30<sup>th</sup> of March 2023</b>
Subject	<b>Audit findings report for West Oxfordshire District Council from Grant Thornton – external auditors</b>
Wards affected	All
Accountable officer	Elizabeth Griffiths, Section 151 Officer Email: elizabeth.griffiths@westoxon.gov.uk
Summary/Purpose	To update the committee on the findings of the external audit of the 21/22 financial year as the audit draws to a close. The accounts are not yet ready to sign and for reasons beyond our control cannot be signed for several months but this gives the committee the opportunity to review the findings of the audit work.  The Council thanks Grant Thornton for all of their work on this audit
Recommendation	That the committee notes this report
Corporate priorities	Modern Council Services and Sustainable Finance  Delivering excellent modern services whilst ensuring the financial sustainability of the Council
Key Decision	No
Exempt	No

# The Audit Findings for West Oxfordshire District Council

**Year ended 31 March 2022**

West Oxfordshire District Council

21 March 2023



# Contents



## Your key Grant Thornton team members are:

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## Section

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2. Financial statements
3. Value for money arrangements
4. Independence and ethics

## Appendices

- A. Action plan
- B. Follow up of prior year recommendations
- C. Audit adjustments
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- G. Delivering audit quality

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

**This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.**

**Name : Peter Barber**  
**For Grant Thornton UK LLP**  
**21 March 2023**

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# 1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of West Oxfordshire District Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2022 for those charged with governance.

## Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Council's financial statements give a true and fair view of the financial position of the Council and the Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We commenced our post-statements audit in mid October 2022, followed by an additional visit in February 2023. As at 21 March 2023 our audit is substantially complete. This year we adopted a hybrid approach involving a combination of on-site and remote working. Our findings are summarised on pages 5 to 18.

Our work to date has not identified any material errors or adjustments to the financial statements. No adjustments have been identified that have resulted in an adjustment to the Council's Comprehensive Income and Expenditure Statement.

We have recommended a small number of audit adjustments to improve the presentation of the financial statements as detailed in Appendix C. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.

The draft financial statements were submitted for audit in line with the agreed timetable, along with supporting working papers.

The time taken to complete this opinion audit work for 2021/22 reflects the decision taken in December 2022 to halt the audit to allow finance officers to prioritise internal financial reporting tasks including preparation for the 2023/24 budget. It was agreed to recommence work in February 2023 after the budget had been agreed by Council. The resulting queries have delayed completion and involved further input on both sides.

The S151 office recognises that capacity within the finance team remains a significant issue. We are of the view that there is not sufficient skilled finance expertise below the S151 officer and Chief Accountant to support the multiple responsibilities of a LG finance team. Specifically, the reliance on the Chief Accountant, who has for a number of years taken on almost sole responsibility for supporting the external audit process, means that timely audit completion is compromised.

We recommend that the Council strengthen its finance capacity to enable it to commit sufficient time to all aspects of internal and external financial reporting.

There are no matters arising to date that would require modification of our audit opinion [Appendix E] or material changes to the financial statements.

Subject to completing our remaining audit procedures set out on page 5, receiving responses to any outstanding queries and having regard to any further national guidance, we anticipate issuing an unqualified audit opinion following the receipt of the letter of assurance from the Oxfordshire Pension Fund auditor now expected in April 2023.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

# 1. Headlines

## Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. We expect to finalise and issue our Auditor's Annual Report by the end of May 2023 following the outcome of the elections. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of Financial Sustainability.

## Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We expect to certify the completion of the audit upon the completion of our work on the Council's VFM arrangements, which will be reported in our Annual Auditor's report in May 2023.

## Significant Matters

As set out on the previous page resourcing constraints within the finance team have impacted on the efficiency and timeliness of the delivery of our audit.

This, combined with the raising of the bar and the application of increased challenge and scepticism within this year's audit has resulted in additional audit time being required to complete the audit. We also recognise that this further impacts on your own finance officers who continue to respond to audit queries throughout the duration of the audit.

The additional time spent by the audit team in gaining assurance over all elements of the financial statements will be considered alongside our VFM work in arriving at a final fee for the audit for 2021/22.

## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and collaboration provided by the finance team and other staff during these unprecedented times.

# 2. Financial Statements

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our audit plan, as communicated to you in September 2022.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Committee meeting on 30 March 2023, as detailed in [Appendix E]. These outstanding items include:

- Completion of our work on Property, Plant and Equipment and Investment Property valuations;
- Completion of final grant income samples;
- Completion of our work on Debtors;
- Completion of our work on the Collection Fund;
- Write up of final queries on the Cash Flow Statement;
- Receipt of outstanding queries on the Narrative report;
- Receipt of the letter of assurance from the Oxfordshire County Pension Fund Auditor;
- Final review by the Manager and Engagement Lead on outstanding and recently completed work;
- Receipt of management representation letter;
- Review of the final set of financial statements;
- Completion of our subsequent events review

## 2. Financial Statements



### Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We have not changed our materiality, performance materiality and our level of triviality set out within our Audit Plan.

We detail in the table our determination of materiality for West Oxfordshire District Council.

	Planning	Final
Materiality for the financial statements	£0.930m	£0.930m
Performance materiality	£0.700m	£0.700m
Trivial matters	£0.045m	£0.045m
Materiality for Senior Officer Remuneration	£4,650	£4,650



## 2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
<p><b>Management override of controls</b></p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work we:</p> <ul style="list-style-type: none"> <li>• evaluated the design effectiveness of management controls over journals;</li> <li>• analysed the journals listing and determine the criteria for selecting high risk unusual journals;</li> <li>• gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and</li> <li>• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> <li>• Tested high value and unusual journals processed during the year and at the accounts production stage for appropriateness and corroboration.</li> </ul> <p>Our audit work, including our review of journal entries and the related control environment, has not identified any significant issues with regards to management override of controls. For all the journals reviewed we concluded that they were appropriate transactions.</p> <p>There were a number of back-posted journals (11) in the ledger. We would note that this is a high number compared to other Councils with the expectation being this is not a common occurrence however our review indicated that proper procedures were followed. We also noted made a number of recommendations (detailed in Appendix A) to further strengthen control arrangements in this area.</p>

# 2. Financial Statements - Significant risks

## Risks identified in our Audit Plan

## Commentary

### The revenue cycle includes fraudulent transactions (rebutted)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

In our Audit Plan we set out that having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including West Oxfordshire District Council mean that all forms of fraud are seen as unacceptable.

We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.

### The expenditure cycle includes fraudulent transactions (rebutted)

Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom (PN10) states:

"As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition". Public sector auditors therefore need to consider whether they have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit.

In our Audit Plan we set out that we had rebutted this presumed risk for West Oxfordshire District Council because:

- expenditure is well controlled and the Council has a strong control environment; and
- the Council has clear and transparent reporting of its financial plans and financial position to the Council.

We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.

# 2. Financial Statements - Significant risks

## Risks identified in our Audit Plan

## Commentary

### Valuation of the pension fund net liability and the key assumptions that underpin this significant estimate

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£24m in the Council's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

We are currently awaiting assurances from the auditor of Oxfordshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Subject to the completion of our work above our audit work has not identified any issues in respect of valuation of the net liability.

## 2. Financial Statements - Significant risks

### Risks identified in our Audit Plan

### Commentary

#### Valuation of Investment Property [Annual Revaluation]

The Council revalue its investment property on an annual basis to ensure that the carrying value is not material different from the fair value as at the balance sheet date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

We have therefore identified the appropriateness of the specific inputs and assumptions that drive the valuation of investment property as a significant risk, which was one of the most significant assessed risks of material misstatement.

As part of our work we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the Council's valuer's report and the assumptions that underpin the valuation; and
- tested revaluations made during the year to see if they had been input correctly into the Council's asset register.

At the time of writing this report we have not identified any significant issues that we need to bring to your attention, however, our work on this risk remains in progress. We are currently:

- evaluating the assumptions made by the valuer for those assets revalued at 31 March 2022.

Subject to the completion of our work above our audit work has not identified any issues in respect of valuation of the Council's investment properties.

#### Valuation of land and buildings and the key assumptions and judgements that underpin this significant estimate

The Council revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Council's financial statements is not materially different from the current value at the financial statements date, where a rolling programme is used.

We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter. In particular the key assumptions that underpin the valuations.

As part of our work we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the Council's valuer's report and the assumptions that underpin the valuation; and
- tested revaluations made during the year to see if they had been input correctly into the Council's asset register.

At the time of writing this report we have not identified any significant issues that we need to bring to your attention, however, our work on this risk remains in progress. We are currently:

- evaluating the assumptions made by the valuer for those assets revalued at 31 March 2022

# 2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment																																
Net pension liability – £24.1m	<p>The Council's net pension liability at 31 March 2022 is £24.1m (PY £35m) comprising the West Oxfordshire Pension Fund Local Government funded defined benefit scheme. The Council uses Hymans Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2019. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £7.036m net actuarial gain during 2021/22.</p>	<p>We have carried out the following work in relation to this estimate:</p> <ul style="list-style-type: none"> <li>Assessed management's expert to ensure suitably qualified and independent,</li> <li>Assessed the actuary's roll forward approach taken,</li> <li>We have used PwC as auditors expert to assess actuary and assumptions made by actuary. The table below summarises where West Oxfordshire District Council fall in the acceptable ranges set by PwC:</li> </ul> <table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.70%</td> <td>2.70% - 2.75%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>3.20%</td> <td>3.15%-3.30%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.20%</td> <td>3.20%-4.20%</td> <td>●</td> </tr> <tr> <td>Duration of liabilities</td> <td>20 years</td> <td>15-22 years</td> <td>●</td> </tr> <tr> <td rowspan="2">Life expectancy - Males currently ages 45 / 65</td> <td>Current 22.2</td> <td>Current 20.1 - 22.7</td> <td rowspan="2">●</td> </tr> <tr> <td>Future 23.1</td> <td>Future 21.4 - 24.3</td> </tr> <tr> <td rowspan="2">Life expectancy - Females currently ages 45 / 65</td> <td>Current 24.5</td> <td>Current 22.9 - 24.9</td> <td rowspan="2">●</td> </tr> <tr> <td>Future 26.1</td> <td>Future 24.8 - 26.7</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>We have gained assurance over the completeness and accuracy of the underlying information used to determine the estimate,</li> <li>We have gained assurance over the reasonableness of the Council's share of LGPS pension assets, and</li> <li>We have reviewed the adequacy of disclosure of the estimate in the financial statements.</li> </ul>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	2.70%	2.70% - 2.75%	●	Pension increase rate	3.20%	3.15%-3.30%	●	Salary growth	3.20%	3.20%-4.20%	●	Duration of liabilities	20 years	15-22 years	●	Life expectancy - Males currently ages 45 / 65	Current 22.2	Current 20.1 - 22.7	●	Future 23.1	Future 21.4 - 24.3	Life expectancy - Females currently ages 45 / 65	Current 24.5	Current 22.9 - 24.9	●	Future 26.1	Future 24.8 - 26.7	Light purple
Assumption	Actuary Value	PwC range	Assessment																																
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## Assessment

- Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

## 2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Investment Property Valuation - £55.2m	<p>The Investment properties comprises £55.2m of assets, which are required to be valued at fair value.</p> <p>The Council has used the internal valuer to complete the valuation of properties as at 31 March 2022. In line with the CIPFA Code, all investment properties were revalued during 2021/22.</p> <p>The total year end valuation of investment properties was £55.2m, this is a net increase of £3.2m from 2020/21 (£52m).</p>	<p>We have carried out the following work in relation to this estimate:</p> <ul style="list-style-type: none"> <li>Assessed management's expert to ensure suitably qualified and independent,</li> <li>Assessed the completeness and accuracy of the underlying information used to determine the estimate,</li> <li>Confirmed there were no changes to valuation method,</li> <li>Assessed the consistency of the estimate against near neighbours and using the Gerald Eve report, and</li> <li>Assessed the adequacy of disclosure of the estimate in the financial statements.</li> </ul>	Light purple

### Assessment

- Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# 2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £63.374m	<p>Other land and buildings comprises £63.4m of assets which are required to be valued at either current market value or depreciated replacement cost (DRC) at year end reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The Council used its in house valuer to complete the valuation of properties as at 31/03/22 on a five yearly cyclical basis. 78% of total assets were revalued during 2021/22.</p> <p>For the remaining assets not formally revalued an exercise is undertaken to ensure that the carrying value is not materially different to the current value. Management applied indices to the values of those assets that have not been formally revalued in year to determine whether there has been a material change in the total value of these assets. Management's assessment of assets not revalued has identified no material change to the values.</p> <p>The total year end valuation of land and buildings was £63.4m, a net increase of £2.1m from 2020/21</p>	<p>We have carried out the following work in relation to this estimate:</p> <ul style="list-style-type: none"> <li>Assessed management's expert to ensure suitably qualified and independent,</li> <li>Assessed the completeness and accuracy of the underlying information used to determine the estimate,</li> <li>Confirmed there were no changes to valuation method,</li> <li>Assessed the consistency of the estimate against near neighbours and using the Gerald Eve report, and</li> <li>Assessed the adequacy of disclosure of the estimate in the financial statements.</li> </ul>	Light purple

## Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

## 2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and General Purposes Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation will be requested from the Council.

## 2. Financial Statements - other communication requirements



Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests for bank and investment balances. This permission was granted and the requests were sent. We are awaiting three investment confirmations from the banks at the current stage.
Accounting practices	We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management was provided.

## 2. Financial Statements - other communication requirements



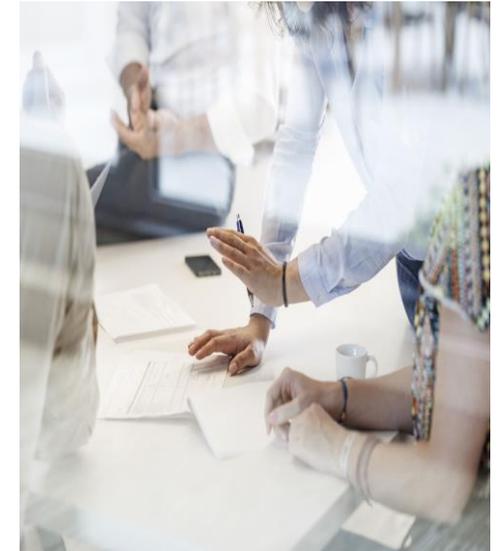
### Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> <li>the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities</li> <li>for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report.</li> </ul> <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> <li>the nature of the Council and the environment in which it operates</li> <li>the Council's financial reporting framework</li> <li>the Council's system of internal control for identifying events or conditions relevant to going concern</li> <li>management's going concern assessment.</li> </ul> <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> <li>a material uncertainty related to going concern has not been identified</li> <li>management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</li> </ul>

## 2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statement, and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>We have nothing significant to report on these matters. A small number of minor changes were made to the draft statements.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> <li>• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit,</li> <li>• if we have applied any of our statutory powers or duties.</li> <li>• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es.</li> </ul> <p>We have nothing to report on these matters.</p>



## 2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>No detailed work is required in this area as the Council is below the thresholds set by the NAO.</p>
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2021/22 audit of West Oxfordshire District Council in the audit report, as detailed in Appendix E, due to incomplete VFM work.

# 3. Value for Money arrangements

## Approach to Value for Money work for 2021/22

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



### Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



### Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



### Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

## Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



### Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



### Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



### Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements



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## 3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. We expect to issue our Auditor's Annual Report in May 2023. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of Financial Sustainability.

# 4. Independence and ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence.

In this context, we disclose to you that during the early part of the 2019/20 financial year, the previous audit manager, applied for a job with Publica. Following the application process, she was successful and has now take up her new role. The role has the ability to be involved in the completion of accounting transactions and the preparation of the financial statements for West Oxfordshire District Council. As a result this has required us to put certain safeguards in place to ensure that we can continue with the audit appointment and comply with the ethical standards as a firm.

The safeguard has been agreed by our ethics function and is such that the audit with effect from 2021/22 has been conducted with a new engagement lead from the South West Office, but then with the remainder of the audit team being sourced from our Midlands Public Sector Team. This is the last year these safeguarding procedures are required to be in place.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

## Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. No non-audit services were identified which were charged from the beginning of the financial year to date.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

## Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

# Appendices

# A. Action plan – Audit of Financial Statements

We have identified four recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2022/23 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards. Management have agreed with our recommendations.

Assessment	Issue and risk	Recommendations
High	The S151 office recognises that capacity within the finance team remains a significant issue. We are of the view that there is not sufficient skilled finance expertise below the S151 officer and Chief Accountant to support the multiple responsibilities of a LG finance team. Specifically, the reliance on the Chief Accountant, who has for a number of years taken on almost sole responsibility for supporting the external audit process, means that timely audit completion is compromised.	We recommend that the Council strengthen its finance capacity to enable it to commit sufficient time to all aspects of internal and external financial reporting.
Low	The journal authorisation process in place involves the Chief accountant reviewing all journals, with any journals posted by the latter subject to a separate review by the Business Partner Accountant. The second review did not consistently include a date.	We recommend that all levels of review be properly documented with the date the review took place.
Low	As part of our review of the ledger we noted one journal had a blank description. Journal line descriptions are not mandated in the Agresso system. It is best practise within the Council that this be filled in.	We would recommend that journal line description be a mandatory field in the Agresso system.
Low	We have noted that an officer included in the Council's journal user list was no longer employed at the Council.	We would recommend that management regularly update the user list for any leavers.

## Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

# B. Follow up of prior year recommendations

We identified the following issues in the audit of West Oxfordshire District Council's 2020/21 financial statements, which resulted in two recommendations being reported in our 2020/21 Audit Findings report. We have followed up on the implementation of our recommendations and note these have been addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Disclosures relating to both critical judgements and estimation uncertainty lack the level of detail envisaged by IAS 540 and as described in the most recent FRC thematic review. Given the additional focus on accounting estimates, management should consider working more closely with experts to ensure more detailed disclosures can be provided in relation to both estimation uncertainty and critical judgements.	More detail has been added to note F8 compared to 2020/21 in the estimation uncertainties around the value of PPE & Investment Property.
✓	Our audit testing identified a number of assets recorded in the asset register at nil net book value. While this has no bottom line impact on the accounts, it does suggest that officers need to review the UEL and determine whether they remain appropriate for the assets that are still recorded in the asset register.  Officers to review the assets held in the asset register at nil net book value.	Review of the closing Fixed Asset Register as at 31/3/22 - confirms that assets at nil value have been reviewed by the Council.

## Assessment

- ✓ Action completed
- X Not yet addressed

# C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted and unadjusted misstatements

At the time of writing this report there are no adjusted or significant unadjusted misstatements to bring to your attention.

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Adjusted?
In Note D4 for Debtors and Note D5 for Creditors, the totals do not agree to the Balance Sheet. We understand this is due to an adjustment made to the Balance Sheet and Primary statement notes that had not been carried through to the detailed notes.	✓
Audit fees in Note B7 did not agree to the balance disclosed in the audit plan and agreed with management. This resulted from the exclusion of additional fees.	✓
The revaluation table at Note D1 includes £0.109m misclassified in Land and Buildings valuations as at 31/03/2022. This balance relates to Vehicles, Plant and Equipment and is held at historic cost rather than being revalued.	✓
During the course of the audit a number of small disclosure amendments including typos or syntax improvements were made to the financial statements, Annual Governance Statement and Narrative Report. These have not been reported separately due to their insignificant nature.	✓
Note F2 within Financial Instruments did not fully disclose cash and cash equivalents balances and was inconsistent with the Balance Sheet.	✓

# D. Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

<b>Audit fees</b>	<b>Proposed fee</b>	<b>Final fee</b>
Council Audit	£63,628	TBC
Total audit fees (excluding VAT)	£63,628	TBC

# E. Draft Audit opinion

Our draft audit opinion is included below. We anticipate we will provide the Council with an unmodified audit report.

## Independent auditor's report to the members of West Oxfordshire District Council

### Report on the Audit of the Financial Statements

#### Opinion on financial statements

We have audited the financial statements of West Oxfordshire District Council (the 'Authority') for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements: give a true and fair view of the financial position of the Authority as at 31 March 2022 and of its expenditure and income for the year then ended;

- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Finance Officer's with respect to going concern are described in the 'Responsibilities of the Authority, Chief Finance Officer's and Those Charged with Governance for the financial statements' section of this report.

# E. Audit opinion (continued)

## Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## Responsibilities of the Authority, the Chief Finance Officer's and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer.

# E. Audit opinion (continued)

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer's determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit and General Purposes Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003, and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) and the Local Government Finance Act 2012.
- We enquired of senior officers and the Audit and General Purposes Committee, concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Audit and General Purposes Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

# E. Audit opinion (continued)

- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journals, accounting estimates and critical judgements made by management.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;
  - journal entry testing, with a focus on management override of controls;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, investment property and defined benefit pensions liability valuations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

## Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

# E. Audit opinion (continued)

Our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

## Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

## Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for West Oxfordshire District Council for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report'

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

## Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

# F. Management Letter of Representation

X X 2022

Dear Sirs

**West Oxfordshire District Council**  
**Financial Statements for the year ended 31 March 2022**

This representation letter is provided in connection with the audit of the financial statements of West Oxfordshire District Council for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.

We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.

The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

Except as disclosed in the financial statements:

- a. there are no unrecorded liabilities, actual or contingent
- b. none of the assets of the Council has been assigned, pledged or mortgaged
- c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.

All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

# F. Management Letter of Representation (continued)

We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.

The financial statements are free of material misstatements, including omissions.

Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

- a. the nature of the Council means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements

The Council has complied with all aspects of ring-fenced grants that could have a material effect on the Council's financial statements in the event of non-compliance.

## Information Provided

We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
- b. additional information that you have requested from us for the purpose of your audit; and
- c. access to persons within the Council via remote arrangements from whom you determined it necessary to obtain audit evidence.

We have communicated to you all deficiencies in internal control of which management is aware.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

- a. management;
- b. employees who have significant roles in internal control; or
- c. others where the fraud could have a material effect on the financial statements.

# F. Management Letter of Representation (continued)

We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- i. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- ii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- iii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

## **Annual Governance Statement**

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

## **Narrative Report**

The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

**Signed on behalf of the Council**

**Date**

# G. Delivering audit quality – proven success in regulatory inspections

The Financial Reporting Council (FRC) published the findings of its annual Quality Inspection of our firm, alongside the six other ‘Tier One’ auditing firms in the UK, on 20 July 2022.

## Our results

- We’re the first firm to ever be awarded the highest quality grading for 100% of files reviewed
- For the second consecutive year, we have the highest proportion of audits with the top-quality grades out of the seven major firms
- [Click here](#) to see FRC’s latest inspection report into our firm. The graph to the right shows Grant Thornton is the only firm to have all files reviewed in the highest quality grading bracket awarded (“Good or limited improvements required”).

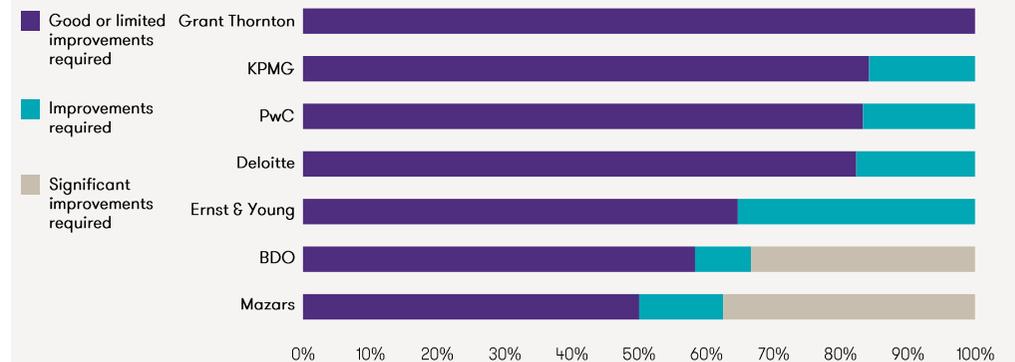
## Continued commitment to audit quality

We continuously evolve our audit practice, so we deliver quality against the backdrop of continually evolving scrutiny and challenge, whilst ensuring we exceed client stakeholder expectations. The past two FRC inspection results are evidence of this.

### Our commitment to quality, includes us continuing to:

- **hold ourselves accountable.** It’s what our Audit Quality Board, with external audit experts, does
- **challenge management.** It’s part of our approach – to robustly explore areas that are complex, significant or highly judgmental, for example, certain accounting estimates, going concern evaluations, revenue recognition and other such areas
- **challenge ourselves.** It’s why we have a continuous improvement approach focussed on how we can be even better year on year, in technical skills, project management skills, digital, culture, and working as effectively as possible with you
- **invest, significantly.** It’s why we have centres of excellence and an Audit Quality Academy, and have grown and developed our IT audit and Digital Audit Technology practices

FRC’s Audit Quality Inspection and Supervision Report Findings 2021-22 (%), July 2022



## What has the FRC said about us?

Our firm is immensely proud of the “good practice” areas highlighted by the FRC:

- Detailed reporting and effective communication with Audit Committees
- Robust challenge and scepticism to Management’s accounting around complex areas, particularly around impairment and journals
- Discussions with those outside of the finance team to provide broader audit evidence and insight

In our recent reports, our internal use of specialists and approach to use of data analytics has also been highlighted by the regulator; both of which remain integral to the success of our results and approach to quality.



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 <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
Name and date of Committee	<b>Audit and Governance Committee 30 March 2023</b>
Report Number	<b>Agenda Item No 13</b>
Subject	<b>Committee Work Programme 2022/23</b>
Wards affected	All
Audit and Governance Accountable member / Group Manager Lead	Councillor Alaric Smith, Chair Audit and Governance Committee Email: <a href="mailto:alaric.smith@westoxon.gov.uk">alaric.smith@westoxon.gov.uk</a>  Group Manager Lead: Elizabeth Griffiths
Accountable Officer	Andrew Brown, Business Manager - Democratic Services Email: <a href="mailto:Andrew.brown@publicagroup.uk">Andrew.brown@publicagroup.uk</a>
Summary/Purpose	To provide the Committees with an update on the Work Programme 2022/23.
Annexes	<a href="#">Annex I</a> - Work Programme for 2022/23
Recommendation	That the Committee notes the Committee Work Programme.
Corporate priorities	To enable the Committee to review the Work Programme and support the Council's priorities to protect the environment whilst supporting the local economy, to meet the current and future needs of residents and to provide efficient and value for money services, whilst delivering quality front line services.
Key Decision	No
Exempt	No
Consultees / Consultation	None

## 1. BACKGROUND

- 1.1. At the meetings of the Committees in May and June 2022 the committees gave consideration to the development of their work programmes for the year.

## 2. MAIN POINTS

- 2.1. Committees are asked to consider the work programme, along with the Cabinet work programme, and decide if there are any items that they wish to prioritise or deprioritise.

- 2.2. When an item is considered by a committee, the Committee can decide whether to submit recommendations to Cabinet.
- 2.3. The Committee Work Programme is intended to provide clarity to the organisation and the public about the priorities of the committees and when different items will be considered but it does need to be a flexible document that enables the Committee to respond to new or emerging issues and priorities during the year. As such, committees will be able to review their work programme at each meeting, the inclusion of a standing agenda item for Members' questions also provides the opportunity to raise relevant issues.

### **3. FINANCIAL IMPLICATIONS**

- 3.1. There are no financial implications arising directly from this report. Requests from Committee for reports to be produced for consideration at meetings will place demands on officer capacity. Committees are urged to be mindful of the limitations of the organisation and to prioritise effectively, having regard to the advice of supporting officers.

### **4. LEGAL IMPLICATIONS**

- 4.1. None

### **5. RISK ASSESSMENT**

- 5.1. Not applicable.

### **6. CLIMATE CHANGE IMPLICATIONS**

- 6.1. Whilst there may be climate change implications arising from specific items within the Work Programme, there are none arising directly from this report.

### **7. ALTERNATIVES/OPTIONS**

- 7.1. In accordance with the Constitution of the Council, Committee has the power to investigate any matters it considers relevant to its work area, and to make recommendations to the Council, Cabinet or any other Committee or Sub-Committee of the Council as it sees fit.
- 7.2. The agreement of a Committee Work Programme, which is regularly reviewed, is considered to be good governance practice and promotes openness and transparency.

### **8. BACKGROUND PAPERS**

- 8.1. None.

**Audit and Governance Committee Thursday 30 March 2023**

WP	Title	Format	Author	Lead Officer / Cabinet Member	When	Comments
1	CFEU Update Report (RIPA and IPA annual update)	Report	Emma Cathcart	Eliz-abeth Griffiths		
3	Internal Audit Plan and Internal Audit Charter	Report	Lucy Cater	Elizabeth Griffiths		For Approval
4	Corporate Risk Register Update	Report	Zoe Campbell / Suzanne Jones	Elizabeth Griffiths	Quarterly	
5	Reports from External Auditors - GT	Reports	GT	Elizabeth Griffiths	Annual	<b>May go to an earlier special meeting</b>
6	Internal Audit Progress Report	Report	Lucy Cater	Elizabeth Griffiths		Comment / Note
7	Draft Annual Governance Statement	Report	Finance	Elizabeth Griffiths		Approval
8	Training referral from Standards Sub-Committee	Report	Monitoring Officer	Susan Sale / Andrew Brown	When Required	Referral from Standards Sub-Committee held 22 February 2023

**Audit and Governance Committee Thursday 29 June 2023**

WP	Title	Format	Author	Lead Officer / Cabinet Member	When	Comments
1	Internal Audit Annual Opinion	Report	Lucy Cater	Elizabeth Griffiths		Comment / Note

Committee Work Programme 2022/23

Annex I

2	Annual Statement of Accounts	Report	Finance	Elizabeth Griffiths		Approval
3	Annual Governance Statement	Report		Elizabeth Griffiths		Approval
4	Informing the Audit Risk Assessment	Report	Finance	Elizabeth Griffiths		
5	Corporate Risk Register	Report	Zoe Campbell's Team			

**Audit and Governance Committee Thursday 28 September 2023**

WP	Title	Format	Author	Lead Officer / Cabinet Member	When	Comments
1	Internal Audit Progress Report	Report	Lucy Cater	Elizabeth Griffiths		
2	CFEU Update Report	Report	Emma Cathcart	Elizabeth Griffiths		
3	Corporate Risk Register	Report	Zoe Campbell's Team			

**Audit and Governance Committee Thursday 23 November 2023**

WP	Title	Format	Author	Lead Officer / Cabinet Member	When	Comments
1	Internal Audit Progress Report	Report	Lucy Cater	Elizabeth Griffiths		

Committee Work Programme 2022/23

Annex I

2	Corporate Risk Register	Report	Zoe Campbell's Team			
3	Corporate Enforcement Policy Review					
4						

Committee Work Programme 2022/23

Annex I

Draft Audit and Governance Committee Workplan	Format	Author	Responsible Officer	Comment
<b>Other Officer Reports</b>				
CyberSecurity Update	Report / Verbal Update	John Chorlton / Tony Oladejo		January – For Information / to Note
Annual Governance Statement Action Plan	Report / Verbal Update		Elizabeth Griffiths?	Quarterly / Half Yearly?
Risk Management Policy		Zoe Campbell's Team		Approval
Fraud Risk Strategy Update		Emma Cathcart		Annual
RIPA / IPA (Policies x3)		Emma Cathcart		Next due 2023
Proceeds of Crime and Anti Money Laundering Policy		Emma Cathcart		Next due 2024
Counter Fraud and Anti Corruption Policy		Emma Cathcart		Next due 2025
Minutes of Miscellaneous Licensing Sub-Committee				Annual - April
Minutes of Standards Sub-Committee				Annual - April
<b>External Audit Reports</b>				
Audit Progress Report and Sector Update				Quarterly
Audit Plan				Annual
Audit Findings Post Audit Final Letter of Representation	Presented with Statement of Accounts			Annual
Fee Letter				Annual
Housing Benefit Subsidy Certification (KPMG)		Mandy Fathers		

**Audit and Governance Committee suggestions for future workstreams 2023**

WP	Title	Format	Lead Officer / Cabinet Member	When	Comments
I	CFEU Update Report (RIPA and IPA annual update)	Report	Emma Cathcart / Elizabeth Griffiths	APRIL 2023	
	AGS Action Plan Update	Report			
	Internal Audit Annual Opinion	Report	Lucy Cater / Elizabeth Griffiths	July 2023	Annual Report – supports AGS . <b>No progress report this quarter</b>
	SI06 agreements to delivery of projects	Verbal Update	Chris Hargreaves	As requested	
	Cyber Security update		Tony Oladejo		
	Risk Management Policy	Report			For Approval
	Treasury Management Outturn				
	Treasury Management Strategy				For Approval
	Corporate Risk Register Update	Report	Zoe Campbell / Suzanne Jones	Quarterly	
	Updated Strategies				e.g. procurement an commissioning
	Corporate Enforcement Policy Review		Emma Cathcart		
	Corporate Enforcement Policy	Report	Emma Cathcart	Elizabeth Griffiths	Due this year (15/03/23 update from Emma)

