

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
Audit and Governance Committee

Held in the Committee Room 1 at 6.00 pm on **Wednesday, 26 October 2022**

PRESENT

Councillors: Alaric Smith (Chair), Ruth Smith (Vice-Chair), Luci Ashbourne, Jill Bull, Owen Collins, Julian Cooper, Colin Dingwall, Jane Doughty, Gill Hill, Norman MacRae MBE, Michele Mead, Elizabeth Poskitt, Andrew Prosser and Alex Wilson

Officers: Officers: Georgina Dyer (Chief Accountant and Deputy S151 Officer), Michelle Ouzman (Strategic Support Officer).

10 Minutes of Previous Meeting

The minutes of the meeting held on 30 June 2022 and 20 September 2022, were approved and signed by the Chairman as a correct record.

11 Apologies for Absence

Apologies for absence were received from Councillors Andrew Beaney, Richard Langridge and David Jackson.

Councillor Alex Wilson substituted for Councillor Andrew Beaney.

12 Declarations of Interest

There were no declarations of interest received.

13 Participation of the Public

There were no public present.

14 Auditor's Annual Report - Grant Thornton

The Chair welcomed Peter Barber from Grant Thornton and invited him to present the Auditor's Annual Report for year 2020/21.

Mr Barber informed the Committee that he was in attendance on behalf of Grant Thornton (GT) who were the current public sector auditors. The Auditors had audited the financial statements for the 2020/21 year and had issued an unqualified audit report on 5th April 2022.

The Value for Money (VFM) report is the opinion of GT, after a considerable amount of scrutiny, on the Council's performance against three criteria, being financial sustainability, governance and improving economy, efficiency and effectiveness.

The Council had been rated amber in all three audited criteria, with a total of seven improvement recommendations, meaning that no significant weaknesses in arrangements were identified. Recommendations were also spilt into three types of recommendations, being statutory, key and improvement. The fact that the Council had been only rated recommendation type improvement across the three criteria, with no statutory or key types of recommendations, is really good.

The Committee thanked the Officers of the Council for all their efforts and hard work during the past two years.

Mr Barber confirmed that GT were comfortable that the Officers identify issues and deal with them effectively.

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Mr Barber explained the GT improvements and recommendations that were reflected in the report, and that Councillors should be assured that the Council was operating well.

The Committee questioned whether the improvements had been made. Mr Barber confirmed this would be assessed in 2021/22 audit.

The Council's Chief Accountant and Deputy S151 Officer, confirmed that the Finance Team were currently working on the Medium Term Finance Strategy (MTFS), and that the biggest unknown for the future was the investment strategy. The timing of large investment opportunities is difficult to predict. The Council will be looking at assumptions, making best judgements and refining the MTFS as things become clearer.

The Committee commented on previous years' audits and the difference with current years. Mr Barber confirmed that Regulators were imposing stricter Local Government audit criteria.

The Committee **resolved** unanimously to note the report.

15 2021/22 Value for Money Arrangements

Mr Barber explained to the Councillors that all Audit Committee Chairs were receiving the same letter to explain why the GT Auditors' Reports were delayed.

The Committee asked whether GT were charging less as the reports were late.

Mr Barber confirmed that GT were in fact charging more. Due to the Government's new approach and extra criteria to be audited, reports had taken longer and required additional specialised auditors to work on the audits. GT found that it had taken time to recruit the correct skillsets for public sector audits.

The Committee enquired as to when year 2021/22 was to be started, Mr Barber confirmed that they would begin the audit November 2022.

The Committee unanimously **resolved** to note the update from Grant Thornton and noted the extension letter.

16 Indicative Audit Plan 2021/2022

Mr Barber introduced the Indicative Audit Plan 2021/22, and explained that audits were always retrospective, and that the outline approach was laid out on page 44 of the report. GT were looking for sign off hopefully by the end of January, but highlighted the significant uplift in the GT fees, due to the larger amount of audit work required.

The Committee asked for an explanation of the remote working fee.

Mr Barber confirmed that in 2020/21 there was a considerable amount of work done remotely, however if auditors were able to work with WODC officers face to face, which was an effective way of auditing, this fee could be significantly reduced.

Councillors then had a discussion about the change of public sector auditors for 2022/23.

This then led to a discussion about the detail that was audited re Section 106 funds. The Committee heard that following a large overhaul, improvements had been made to S106 funds recording.

There was consensus from Councillors that they were keen to understand if the Council was getting value for money on S106 spend and how was the governance of the spend monitored to ensure the timely delivery of community projects.

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The Council's Chief Accountant and Deputy S151 Officer confirmed that robust practices were in place for the management of S106 funds.

The Committee suggested regular reporting of S106 fund spending and heard that Internal Audit Service (SWAP) was currently looking at S106 management as part of the internal audit cycle. It was agreed that the SWAP work should be reviewed once available and that, in addition, SWAP be requested to report to the Committee on the timelines from receipt of S106 monies to the delivery of community projects.

Resolved the Committee considered the proposals set out in the Audit Plan 2021/22 and unanimously noted the contents of the report and agreed that the Internal Audit Service (SWAP) would be asked to review the timelines between S106 receipt and the delivery of community projects funded by S106.

The Meeting closed at 7.30 pm

CHAIR