

Monday, 11 March 2024
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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, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB on **Tuesday, 19 March 2024 at 6.00 pm.**



Giles Hughes
Chief Executive

To: Members of the Audit and Governance Committee

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, Rachel Crouch, Colin Dingwall, Jane Doughty, David Jackson, Edward James, Liz Leffman, Dan Levy, Michele Mead, David Melvin, Elizabeth Poskitt, Geoff Saul, Sandra Simpson and Alex Wilson

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. **Apologies for Absence**
To receive any apologies for absence.
2. **Declarations of Interest**
To receive any declarations from Members of the Committee on any items to be considered at the meeting.
3. **Minutes of Previous Meeting 23 November 2023 (Pages 7 - 10)**
To approve the minutes of the meeting held on 23 November 2023.
4. **Participation of the Public**
To receive any submissions from members of the public, in accordance with the Council's [Public Participation Rules](#).
5. **Interim Auditor's Annual Report 2022/23 (Value for money arrangements and recommendations) (Pages 11 - 64)**
Purpose:
To provide Members with the Interim Auditor's Annual Report on Value for Money Arrangements and Recommendations 2022/23.

Recommendation:
That the Audit and Governance Committee resolves to:
 - I. Note the contents of the report and annex.
Invited:
Jason Granger, Grant Thornton
6. **The Audit Findings Report for 2022/23 (ISA260) (Pages 65 - 104)**
Purpose:
To provide Members with an update on the findings of the external audit of the 2022/23 financial statements.

Recommendation:
That the Audit and Governance Committee resolves to:
 - I. Note the contents of the report and annex.
Invited:
Katie Whybray, Grant Thornton
7. **Internal Audit Progress Report (Pages 105 - 134)**
Purpose:
To present a summary of the audit work concluded since the last meeting of this Committee.

Recommendation:
That the Audit and Governance Committee resolves to:
 - I. Note the report

Invited:

Lucy Cater, Assistant Director, SWAP Internal Audit Services

8. **Internal Audit Plan 2024/25** (Pages 135 - 146)

Purpose:

To present to the Audit and Governance Committee the Internal Audit Plan 2024/25 for consideration and approval.

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Approve the proposed Internal Audit Plan 2024/25

Invited:

Lucy Cater, Assistant Director, SWAP Internal Audit Services

9. **Counter Fraud and Enforcement Unit Update Report (RIPA and IPA Annual Update)**
(Pages 147 - 158)

Purpose:

To provide the Committee with assurance over the counter fraud activities of the Council.

Recommendation:

That Audit and Governance Committee considers the report and work plan at Annex A.

Invited:

Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit

10. **Corporate Risk Register Update** (Pages 159 - 170)

Purpose:

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.

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Note the Strategic Risk Register.

Invited:

Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity

11. **Annual Governance Statement Action Plan Update** (Pages 171 - 182)

Purpose:

This report provides the Audit Committee with an update on progress against the Annual Governance Statement action plan for 2023/24

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Note the action plan and associated progress updates.

Invited:

Andrea McCaskie, Director of Governance

12. **Audit and Governance Committee Effectiveness Review (Pages 183 - 194)**

Purpose:

To present a summary of the findings / conclusions resulting from the AC Effectiveness Survey responses

Recommendation:

That the Audit and Governance Committee recommends to Council:

1. A reduced Audit and Governance Committee to 11 Councillors.
2. A recruitment exercise for up to 2 Independent Persons.
3. No Members of the Executive to sit on Audit and Governance Committee.
4. A programme of training is developed to ensure Members of the Audit and Governance Committee are able to discharge their responsibilities confidently.

Invited:

Andrea McCaskie, Director of Governance

Lucy Cater, Assistant Director, SWAP Internal Audit

13. **Employee Code of Conduct (Pages 195 - 226)**

Purpose:

To present a recommendation of the Constitution Working Group relating to the adoption of the Employee Code of Conduct and the Corporate and Individual Gifts, Hospitality and Sponsorship Process for the West Oxfordshire District Council workforce.

Recommendation:

That the Committee Resolves to:

1. Approve the adoption of the Employee Code of Conduct (Annex A) as part of the Constitution (Part 6N);
2. Approve the Corporate and Individual Gifts, Hospitality and Sponsorship Process (Annex B) as part of the Council's Constitution (Part 6O).

Invited:

Andrea McCaskie – Director of Governance

14. **Treasury Management Performance (Pages 227 - 242)**

Purpose:

To report to the Audit and Governance Committee the quarter three Treasury Management Indicators as required by the CIPFA Treasury Management Code.

Recommendation:

That the Audit and Governance Committee Resolves to:

- a) Note the contents of the report

Invited:

Madhu Richards, Director of Finance

Georgina Dyer, Chief Accountant

15. **Provisional Member Induction and Training Programme (Pages 243 - 248)**

Purpose:

To update the Committee on the plans for member training post-election.

Recommendation:

That the Audit and Governance Committee resolves to:

1. Note the report;
2. Provide feedback on how the Council may better engage members in member training and development.

Invited:

Andrea McCaskie, Director of Governance

16. **Matters Exempt from Publication**

If the Committee wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Committee to pass a resolution in accordance with the provisions of section 100A of the Local Government Act 1972 on the grounds that their presence could involve the likely disclosure of exempt information as described in paragraph 7 of Schedule 12A of the Local Government Act 1972.

The Committee may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17. **Cyber Security Update (Pages 249 - 256)**

Purpose:

To provide the Audit Committee an update on Cyber Security.

Recommendation:

That Audit & Governance Committee resolves to:

1. Note the content of the report.

Invited:

John Chorlton, Chief Technology Officer

(END)

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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 **Thursday, 23 November 2023**

PRESENT

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, Rachel Crouch, Jane Doughty, David Jackson, Dan Levy, Michele Mead, David Melvin, Elizabeth Poskitt, Geoff Saul, Sandra Simpson, Alex Wilson and Liam Walker

Officers: Lucy Cater (Assistant Director SWAP), Andrea McCaskie (Director of Governance), Madhu Richards (Director of Finance) and Georgina Dyer (Chief Accountant), Max Thompson (Senior Democratic Services Officer), and Michelle Ouzman (Democratic Services Officer).

27 Election of Chair

The Director of Governance opened the meeting, welcoming Members and Officers to the Audit and Governance Committee meeting.

The Director of Governance referred Members to the first item on the Agenda, Election of Chair, and asked the Committee for nominations to the position of Chair of the Audit and Governance Committee for the remainder of the municipal year 2023/24.

Councillor Elizabeth Poskitt proposed that Councillor Carl Rylett be appointed to the position of Chair of the Audit and Governance Committee for the remainder of the municipal year 2023/24. This was seconded by Councillor Ruth Smith, was put to a vote, and was carried.

The Committee **Resolved** to:

- I. Appoint Councillor Carl Rylett to the position of Chair of Audit and Governance Committee for the remainder of the municipal year 2023/24.

28 Apologies for Absence

Apologies for absence were received from Councillors Colin Dingwall and Ed James.

Councillor Liam Walker substituted for Councillor Colin Dingwall.

29 Minutes of Previous Meeting

The Chair asked members for a proposer and seconder to approve the minutes of the previous Audit and Governance Committees, held on 28 September 2023.

Councillor Ruth Smith proposed to approve the minutes of the Audit and Governance Committee held on 28 September 2023, this was seconded by Councillor Jane Doughty, was put to a vote and was carried.

The minutes were signed by the Chair as a correct record.

The Committee **Resolved** to:

- I. Approve the minutes of the Audit and Governance Committee held on 28 September 2023.

30 Declarations of Interest

There were no declarations of interest received.

31 Participation of the Public

23/November2023

There were no participation of the public.

32 Internal Audit Progress Report

The Assistant Director of the South West Audit Partnership (SWAP) introduced the Internal Audit Progress Report. There were no final reports on the agenda but the following audits had very recently been concluded by the team:

- Bank reconciliation
- Transparency agenda
- Taxi licensing audit

Councillor Jane Doughty proposed that the Committee note the Internal Audit Progress Report, This was seconded by Councillor Ruth Smith, was put to the vote and was carried.

The Committee **Resolved** to:

- I. Note the report.

33 External Audit Progress Report and Audit Plan for year ending 31st March 2023

The Director of Finance introduced Peter Barber from Grant Thornton.

Mr Barber explained that there were two elements to the item; a progress report and the audit plan setting out the external audit approach. The external auditor's role was two-fold in providing an opinion on the Council's financial statements and a value for money conclusion. The report was for 2022/23, Grant Thornton's final year as the Council's auditors.

The Committee noted the sector wide delay in audits and asked for a brief overview of the government's proposals to address this. For 2022/23 the deadline for producing draft accounts was the end of May and the deadline for giving an audit opinion on the financial statements was the end of September. This deadline had only been met for 5 of 497 councils and other public bodies. There was still a clear view that accounts needed to be signed off in accordance with the auditing standards, which was frustrating. There were a number of new entrants into the external audit market but it was difficult because some councils had multiple years' audits outstanding. The government had been considering introducing a backstop mechanism to enable more timely reporting of accounts but a decision was needed very soon and the minister had recently changed.

Councillor Elizabeth Poskitt proposed that the Committee notes the contents of the report and appendices. This was seconded by Councillor Michele Mead, was put to the vote and carried.

The Committee **Resolved** to:

- I. Notes the contents of the report and appendices.

34 Monitoring Report on Management's responses to the External Auditors findings and implementation of External Audit recommendations

The Director of Finance introduced the Monitoring report on Management's responses to the External Auditors Findings and Implementation of External Audit Recommendations.

23/November2023

The Chair, Councillor Carl Rylett proposed that the Committee note the contents of the reports. This was seconded by Councillor Joy Aitman, was put to the vote and was carried.

The Committee **Resolved** to:

- I. Note the report.

35 Treasury Management Mid-Term Report

The Chief Accountant introduced the Treasury Management Mid-Term Report, which had recently been considered by the Council's Overview and Scrutiny Committee.

The Committee requested that future treasury management report are presented to the Audit and Governance Committee and not the Overview and Scrutiny Committee.

The Chair, Councillor Carl Rylett proposed that the Committee note the contents of the report. This was seconded by Councillor Jane Doughty, was put to the vote and was carried.

The Committee questioned the Council's approach to ethical investments. The Chief Accountant explained that there was a small part of the pooled fund portfolio that would include investments in fossil fuel producers for example because the Council had multi-asset funds which reflected the market as a whole. Ethical investments tended to have lower returns than other investments. The Chief Accountant committed to seeking further information from the Council's treasury advisors and bringing that to the next Audit and Governance Committee meeting.

The Committee **Resolved** to:

- I. Note the report.

36 CIPFA's Position Statement on Audit Committees

The Assistant Director SWAP, introduced the CIPFA (Chartered Institute of Public Finance and Accountancy) position statement on the Audit and Governance Committee. Officers proposed undertaking a self-assessment exercise and considering the appointment of Independent Persons and reducing the size of the Committee. A survey would be distributed to Members in the following weeks.

Councillor Michele Mead proposed that the Committee delegates to the Director of Governance to undertake a self-assessment questionnaire and to report back to the Chair and Vice-Chair, in readiness for the next meeting of the Committee. This was seconded by Councillor Rachel Crouch, was put to the vote and was carried.

The Committee **Resolved** to:

- I. Authorise the Director of Governance in consultation with the Assistant Director for SWAP and the Chair and Vice-Chair of the Committee to undertake the self-assessment, circulate a survey to Members and report back to the next Committee meeting.

37 Audit and Governance Committee Work Programme 2023/24

The Chair asked the Committee if there were any comments on the Work Programme.

Councillor Michelle Mead proposed that the Committee notes the Work Programme. This was seconded by Councillor Elizabeth Poskitt, was put to the vote and was carried.

Audit and Governance Committee


23/November2023

The Committee **Resolved** to:

- I. Note the Committee Work Programme.

The Meeting closed at 6.54 pm

CHAIR

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	INTERIM AUDITOR'S ANNUAL REPORT ON WEST OXFORDSHIRE DISTRICT COUNCIL (VALUE FOR MONEY ARRANGEMENTS AND RECOMMENDATIONS)
Wards affected	All
Accountable member	Cllr Alaric Smith Executive Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report author	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Summary/Purpose	To provide Members with the Interim Auditor's Annual Report on Value for Money Arrangements and Recommendations 2022/23.
Annexes	Annex A – Interim Auditor's Annual Report on Value for Money Arrangements and Recommendations 2022/23 – March 2024.
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the contents of the report and appendix.
Corporate priorities	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	NO

1. BACKGROUND

- 1.1** Under the National Audit Office (NAO) Code of Audit Practice (“the Code”) external auditors are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 1.2** This report details the auditor’s findings with regards to the Council’s arrangements for 2022/23.
- 1.3** No significant weaknesses in arrangements were identified.
- 1.4** Improvement recommendations have been made and management responses to each of these are included in the report.
- 1.5** This report also includes a “Follow-up of previous recommendations” section (page 38 of the report).

2. MAIN POINTS

- 2.1** The appendix to this report contains the Interim Auditor’s Annual Report on West Oxfordshire District Council 2022/23 – March 2024.
- 2.2** Jason R Granger, from Grant Thornton, will be joining the meeting and presenting the report.

3. ALTERNATIVE OPTIONS

- 3.1** None.

4. CONCLUSIONS

- 4.1** The Audit and Governance Committee are requested to note the report.

5. FINANCIAL IMPLICATIONS

- 5.1** None.

6. LEGAL IMPLICATIONS

- 6.1** None.

7. RISK ASSESSMENT

- 7.1** None.

8. EQUALITIES IMPACT

- 8.1** None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

Interim Auditor's Annual Report on West Oxfordshire District Council

2022/23

March 2024

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. 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.

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Executive summary



Value for money arrangements and key recommendation(s)

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 required to report their commentary on the Council's arrangements under specified criteria and 2022/23 is the third year that we have reported our findings in this way. 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. Where we identify significant weaknesses in arrangements, we are required to make recommendations so that the Council may set out actions to make improvements. Our conclusions are summarised in the table below.

Criteria	2022/23 Risk assessment	2022/23 Auditor judgement on arrangements	2021/22 Auditor judgement on arrangements	Direction of travel
Financial sustainability	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but six improvement recommendation made to support the Council in improving arrangements for Financial sustainability.	A No significant weaknesses in arrangements identified, but four improvement recommendations made.	↔
Governance	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but two improvement recommendation made to support the Council in improving governance arrangements.	A No significant weaknesses in arrangements identified, but seven improvement recommendations made.	↔
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but three improvement recommendation made to support the Council in improving arrangements for securing economy, efficiency and effectiveness.	A No significant weaknesses in arrangements identified, but three improvement recommendations made.	↔

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Financial sustainability

The local government sector is operating with a significant degree of financial uncertainty, with recent announcements in the governments Autumn Statement 2023, being viewed by the sector, as offering limited support to reduce immediate and ongoing financial pressures. The Council continues to face financial challenges in terms of the medium-term financial outlook and has taken steps to address these challenges by the formation of a Transformation Working Group to help steer the Council's response to the challenging financial situation. The development of alternatives to the reliance on Council reserves, to balance the budget, will become increasingly important to the Council in the medium term to ensure the Council remains financially sustainable. Our work in respect of 2022/23 has not identified evidence of significant weaknesses within the arrangements in place. However, we have identified areas where the Council could improve arrangements and as such, have raised six improvement recommendations which have been accepted by Management. See pages 16 – 21 for more details.



Governance

During 2022/23 the Council enhanced its governance arrangements through a review of the Council's constitution and monitoring officer capacity requirements. The Council had comprehensive arrangements to support its control environment, during the reporting period, evidenced by its frequent review of its risk management arrangements and the activities of Internal Audit and the Counter Fraud and Enforcement Unit. Our work has not identified evidence of significant weaknesses within the arrangements in place. However, we have identified areas where the Council could improve arrangements and as such, have raised two improvement recommendations which have been accepted by Management. See pages 28 to 29 for more details.



Improving economy, efficiency and effectiveness

The Council has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources. During 2022/23 the Council adopted a new corporate plan that included a commitment to deliver cost effective and performing services. The Council regularly reviews service performance and is in the process of developing further the performance information provided to those charged with governance. The Council is alert to changes in procurement frameworks and during 2022/23 revised its Procurement and Contract Management Strategy. The Council has more recently reviewed the efficacy of a significant partnership and proposed alternative models of delivery which is currently subject to appropriate governance and oversight. Our work has not identified evidence of significant weaknesses within the arrangements in place. However, we have identified areas where the Council could improve arrangements and as such, have raised three improvement recommendations which have been accepted by Management. See pages 35 – 37 for more detail.

Publica

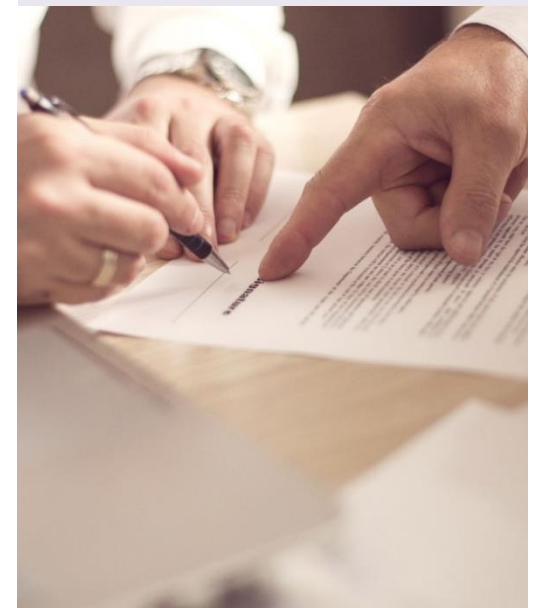
As set out in detail in the Improving economy, efficiency and effectiveness section of this report, the Council has recently considered and decided to proceed with bringing back in much of its outsourced services currently provided by Publica to give it greater control over service provision going forward. Whilst early days, the importance of effectively project managing this transition, whilst working with the other partners, cannot be overstated. This will inevitably necessitate significant time and resource as well as external expertise to ensure the transition is smooth and the expected benefits realised in a timely manner.



Financial Statements opinion

We are yet to issue an audit opinion on the Council's financial statements for 2022/23. It is expected to be presented to the Audit and Governance Committee in March 2024.

Further detail are set out on pages 44 to 46.



Use of auditor's powers

We bring the following matters to your attention:

2022/23

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

Securing economy, efficiency and effectiveness in the Council’s use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council’s responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office’s Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial sustainability

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



Improving economy, efficiency and effectiveness

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



Our commentary on the Council’s arrangements in each of these three areas, is set out on pages 9 to 37.

In addition to our financial statements audit work, we perform a range of procedures to inform our value for money commentary:

- Review of Council, Cabinet and committee reports
- Regular meetings with senior officers
- Interviews with other members and management
- Attendance at Audit Committee
- Considering the work of internal audit
- Reviewing reports from third parties including Ofsted
- Reviewing the Council’s Annual Governance Statement and other publications

The current LG landscape



National context

Local government in England continues to face significant challenges as a sector. These include a high level of uncertainty over future levels of government funding, alongside delays to the Government's plans for reform of the local government finance system, impacting on medium-term financial planning. This is also a time of generationally significant levels of inflation – the UK inflation rate was 7.8% in April 2022, rising to a 41-year high of 11.1% in October 2022, then reducing to 10.1% in March 2023. Inflation levels put pressure on Councils revenue and capital expenditure, as well as the associated cost of living crisis impacting on local communities and businesses, leading to an increase in demand for Council services such as children with special education needs with associated transport costs, debt advice, housing needs, and mental health, as well as impacting on some areas of Council income such as car parking and the collection rates of Council tax, business rates and rents. This follows a significant period of funding reductions by Government (2012 to 2017) and the impacts of Brexit and the COVID-19 pandemic which, for example, have contributed to workforce shortages in a number of Council service areas, as well creating supply chain fragility risks.

The local government finance settlement for 2023/24 was better than many in the sector anticipated demonstrating an understanding by Government of the financial challenges being faced by the sector. However, the Local Government Association, in July 2023, estimated that the costs to Councils of delivering their services will exceed their core funding by £2bn in 2023/24 and by £900m in 2024/25. This includes underlying cost pressures that pre-date and have been increased by the pandemic, such as demographic pressures increasing the demand for services such as social care and homelessness.

Over the past decade many Councils have sought to increase commercial activity as a way to generate new sources of income which has increased the nature of financial risk, as well as the need to ensure there is appropriate skills and capacity in place to manage such activities.

Local government is coming under an increased spotlight in terms of how the sector responds to these external challenges, including the Government establishing the Office for Local Government (Oflog) and there has been an increase in the number of Councils who have laid a Section 114 Notice, or are commenting on the likelihood of such an action, as well as continued Government intervention at a number of Councils.

There has also been an increase in the use of auditors using their statutory powers, such as public interest reporting and statutory recommendations. The use of such auditor powers typically derive from Value for Money audit work, where weaknesses in arrangements have been identified. These include:

- a failure to understand and manage the risks associated with commercial investments and Council owned companies
- a failure to address and resolve relationship difficulties between senior officers and members
- significant challenges associated with financial capability and capacity
- a lack of compliance with procurement and contract management processes and procedures
- ineffective leadership and decision-making.

Value for Money audit has an important role in providing assurance and supporting improvement in the sector.

The current LG landscape (continued)



Local context

West Oxfordshire District Council (the Council) was created on 1 April 1974 as part of a wider reorganisation of local government in England and is now one of five district Councils in Oxfordshire. The region covered by the Council is 275 square miles which is predominantly rural with a third of the district within the Cotswold Area of Outstanding Natural Beauty. The district has seen significant population growth in recent years with the population of West Oxfordshire increasing by 9%, from 105k in 2011 to 114k in 2021 with the rate of growth being higher than the overall population increase of the South-East. Despite the sharp rise in population the area remains the least densely populated area of the South-East with the population dispersed across a wide area. There are around 130 separate towns, villages, and hamlets across the district such as Woodstock, Burford, Chipping Norton, Charlbury, Carterton and Witney, where the Council's is based. West Oxfordshire has a diverse economy and one of the lowest unemployment rates in the country. Tourism plays a major role in the district's economy, attracting over four million visits and around £282 million to the economy of the region.

The Council has 49 elected members representing 27 wards. Elections are held in three out of every four years, with one third of the seats on the Council being elected at each election. In the fourth year of the cycle when no district Council elections are held, elections to Oxfordshire County Council take place. At the local elections in May 2022, no single political party gained an overall majority. The Liberal Democrat, Labour and Green groups agreed to form an administration to run the Council known locally as the 'West Oxfordshire Alliance' and following the district Council election in May 2023 the West Oxfordshire Alliance reaffirmed their commitment to lead the Council.

During 2022 the Council launched the 'Your Voice Counts' consultation, with residents, Town and Parish Councils, businesses, and local organisations to understand stakeholder priorities for future Council activity and this helped to inform the West Oxfordshire Council Plan 2023-2027 which set a vision for the future of West Oxfordshire being:

'Shaping West Oxfordshire as a district which offers a fulfilling and meaningful quality of life for our residents with opportunities for all to flourish. A thriving and prosperous place for entrepreneurs and businesses, where local people and visitors can enjoy the beauty and heritage of our landscape, built, farmed and natural environment.'

West Oxfordshire Council Plan 2023-2027 explained that to support the achievement of the Council vision five priorities will guide Council activity:

- Putting Residents First
- Enabling a Good Quality of Life for All
- Creating a Better Environment for People and Wildlife
- Responding to the Climate and Ecological Emergency
- Working Together for West Oxfordshire

More recently the Council has reviewed the suitability of a significant partnership arrangement, which is referenced within this Auditors Annual Report, and is currently subject to Council oversight.

During 2022/23 the Council continued to operate a cabinet and Council leader model of governance, from 18 January 2023 cabinet was renamed the Executive but this did not impact the model of Council governance and was a change in name only. For the sake of consistency, we have adopted the committee descriptor 'Executive' within this report.

Financial sustainability



We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

2022/23 Outturn

The Council's financial Performance Report for 2022/23 (year-end) was considered by the Council's Executive on 14 July 2023. This included the Council's general fund final outturn for the financial year 2022/23. The final outturn was an overspend of £0.57m. The deficit position was in line with Council projections included within earlier financial monitoring reports throughout 2022/23.

The report included a narrative summary which explained the financial year 2022/23 had been challenging for the Council due to higher than expected inflationary pressures and post Covid-19 disruption to income generating services. The report also included explanations of significant variances, and a full list of all budget variances which supports transparency and is in line with good practice.

Significant budget variances included £0.95m environmental services overspend, reflecting higher than expected pay award for waste services staff, significantly higher fuel costs for waste vehicles and increased costs relating to processing of recyclate. Matters relating to the Council's environmental service is referenced in more detail within the governance section of this report.

The Council's financial Performance Report for 2022/23 explained that the Council's leisure provider had been impacted by increased utility costs and lower level of footfall into the Council's leisure centres, which reflected sector wide issues emanating from the Covid-19 pandemic. The report explained these factors had impacted the provider's ability to pay the budgeted management fee to the Council for 2022/23 and a bad debt provision of £1.1m was assumed by the Council.

We have now been informed by the Council that the leisure provider has subsequently settled the £1.1m management fee, superseding the bad debt provision. Matter relating to the Council's leisure provider is referenced further later in this section.

The Council's capital charges were £1.7m less than budgeted, reflecting the Council's difficulty in finding suitable investment property opportunities.

The Council's 2022/23 budget assumed a general reserve contribution of £1.6m however this was not achieved and the overall budget deficit of £0.57m for 2022/23 was funded from general fund reserves. The Council's reserves are examined in more detail later within this report.

During 2022/23, the Council, like all others in the sector, faced significant inflationary pressures that outpaced financial assumptions made when the original budget was set. The Council was alert to these increasing pressures, updated members and revised earlier assumption and made provision for funding resulting overspends. In our judgement the Council managed, reasonably well, in 2022/23, a rapidly changing economic environment.

2023/24 Budget

On 15 February 2023, full Council considered the Budget and Medium-Term Financial Strategy (MTFS) Report for 2023/24. The report provided a comprehensive assessment of the local government finance settlement for 2023/24 which had been confirmed on 6 February 2023, and was supported by the Council's outlook of potential future local government finance settlements, and an explanation of the further deferral of local government finance reform to at least 2025/26.

The 2023/24 Budget Report detailed that the local government finance settlement for 2023/24 had been better than the Council had previously expected and included a new homes bonus payment of £1.6m, funding guarantee grant of £0.9m, revenue support grant of £0.2m, rural services grant of £0.1 and a one-off services grants of £0.09m.

The 2023/24 Budget Report reflected on the short-term nature of government finance settlements the resultant difficulty, experienced by the sector, in accurately forecasting future finance settlements. The Council's detailed analysis and assessment of implications of the current and predicted future local government settlements provided context to the 2023/24 budget report and demonstrates good practice.

Financial sustainability (continued)

2023/24 Budget (Cont'd)

The Council's income from retained business rates was estimated to be £5.1m for 2023/24, an increase of £0.75m in comparison to the previous financial year, due to significant increases in rateable values for 2023/24, following central government revaluation. The 2023/24 budget report set out the council tax base which had increased by 1.96% compared to the previous year, due new build housing growth. For the financial year 2023/24 district Councils were permitted to increase the Council Tax by a maximum of 3% or £5, whichever is the higher without the need for a local referendum. The Council's 2022/34 budget recommended an annual increase of £5 per band D property, which combined with the tax base growth would result in overall increase of £0.34m in income from council tax in compared to the previous year.

The 2023/24 budget report included an assessment of the significant impact of rising inflation on Council services, contracts, utilities and pay, with inflation growth of £1.5m built in the 23/24 budget. The 2023/24 budget also included leisure contract contingency of £0.5m representing a risk mitigation strategy against the possibility the Council's leisure provider would not be unable to fully settle the 2023/24 management fee of £1.4m. The report explained that the Council's leisure provider had also been significantly impacted by rising inflationary costs and change in consumer habits. We have been informed by the Council that a partial payment of the management fee for 23/24 has been received and there is ongoing discussion and negotiations between the Council and the provider to normalise the contractual arrangements. The leisure providers annual maintenance fee, payable to the Council, represent a significant income stream for the Council and non-payment presents risk to the Council which leads to an improvement recommendation. We recommend the Council provides the Executive with an update on the leisure contract to include:

- 2023/24 management fee income projections.
- Update on recent negotiations with the leisure provider.
- An appraisal of options required to maintain continuity of service and to normalise contractual arrangements for the remaining contract term.

The Council's budget report for 2023/24 included all the responses received from a public budget consultation which demonstrates the Council willingness to engage the public in the budget setting process and supports transparency.

The 2023/24 budget report proposed a balanced budget for 2023/24 that included adequate assumptions, including those relating to local taxation, and the 2023/24 budget factored in the projected outturn 2022/23 and anticipated deficit, whilst clearly identifying the impact of inflationary pressures on both the Council and its key partners, which represent reasonable practice.

The 2023/24 also highlighted a series of budgetary risks that could impact the Council's financial sustainability in the medium term. This included a need for the Council to develop a longer-term strategy to address the revenue budget gap of £31.8m identified within the MTFS 2023/24 – 2031/32. The Council MTFS and savings strategy is covered later within this section.

Capital Programme 2022/23

On 23 February 2022 full Council considered the Budget Report for 2022/23 which included the Council's proposed capital projects for 2022/23 which had an original budget of £14.6m which was to be funded by a combination of borrowing (£11.6m), external grant funding (£1.9m), capital receipts £0.3m, section 106 grants (£0.3m) and revenue contributions of £0.5m.

Planned capital expenditure included £10m of capital provision in relation to potential schemes falling with the scope of the Council's Recovery Investment Strategy, Leisure Centre upgrade and decarbonisation (£1.3m), Ubico replacement fleet costs (£1m), Disabled Facilities Grants (£0.6m), and provision of electric vehicle charging points (£0.4m), demonstrating alignment to the Council's corporate priorities. The Council's financial Performance Report for 2022/23 (year-end) was considered by the Council's Executive on 14 July 2023. This included the Council's capital programme outturn for the financial year 2022/23.

Actual capital expenditure for 2022/23 was reported as £15.2m against a revised capital budget of £30.5m. The revised capital budget principally reflected the Council's revision of its Recovery Investment Strategy capital budget from £10m to £23m for 2022/23. Significant contributors to the capital project slippage, during 2022/23, included:

- £0.6m - Ubico replacement fleet.
- £1.3m - Leisure Centre upgrade and decarbonisation.
- £13m - Recovery Investment Strategy.

The Council has explained the slippage in relation Ubico replacement fleet costs due to supply chain delays outside of the control of the Council and the leisure centre upgrade and decarbonisation works had evolved and this required the business case to be reviewed to ensure all costs were captured and appraised.

Financial sustainability (continued)

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Capital Programme 2022/23 (Cont'd)

We consider the slippage in these capital programmes justifiable. Capital slippage of £13m in relation to the Recovery Investment Strategy was due to a lack of suitable investment properties which would deliver a level of return that complied with the Council’s Recovery Investment Strategy. However, the report did explain the Council had been able to purchase, during 2022/23, Marriotts Shopping Centre and this acquisition would support the regeneration of the central Witney.

The Recovery Investment Strategy 2020 – 2024 was approved in 2020 and detailed new capital expenditure of £74m, to be funded by Council borrowing, for the period 2020/21 to 2023/23 and included a requirement that capital investment schemes falling within scope of the strategy did not worsen the ongoing revenue position of the Council with any proposals needing to meet the annual revenue cost of the capital investment plus a minimum financial return of 3.55%.

The lack of approved schemes within the scope of the Council’s Investment Strategy represented the majority of capital project slippage during 2021/22 and now also 2022/23, due to the absence of suitable schemes that presented the level of return required by the Council. In our Auditor Annual Report for 2021/22 we recommended the Council conducts a review its Recovery Investment Strategy to include:

- An assessment of the impact of the strategy to date, including an assessment of projected income from capital investments made.
- A review of the strategy against the current economic landscape and outlook.
- An evaluation of the strategies role in supporting the financial sustainability of the Council.

This improvement recommendation has not been restated as the Council has informed us that that a review of Recovery Investment Strategy is currently being drafted which will cover an assessment of current performance and also the Council’s the MTFS is being updated as part of the 2024/25 Budget Setting process to ensure that estimates and assumptions with regards to the Recovery Investment Strategy are prudent, and in line with the economic outlook.

Medium Term Financial Strategy 2022/23 – 2031/32

On 15 February 2023, full Council considered the Budget Report for 2023/24, and as already referenced in this report, this included a detailed assessment of local government finance and described the delays to the governments fair funding review and the business rates baseline reset.

The Council’s Budget Report for 2023/24 included a 10-year MTFS 2022/23 – 2031/32 which now assumed new homes bonus payments would end in 2024/25 and the outcome of the governments fair funding review and the business rates baseline reset would negatively impact the Council from 2025/26 resulting in a reduction of £2m in estimated business rate income in comparison to 2024/25 leading to reliance on general fund reserves.

The local government sector is operating with a significant degree of financial uncertainty driven by short term local finance settlements, delays to local government finance reform, potential for a general election and wider economic drivers such as generationally significant inflation changes. In our Auditor’s Annual reports for 2020/21 and 2021/22 we included recommendations relating to the use of scenario planning in the formation of the Council’s MTFS. We have been informed by the Council, as of November 2023, that it is anticipated that the MTFS will be stress tested for key uncertainties including business rates reset and changes to New Homes Bonus funding.

The level of uncertainty faced by the sector has not subsided and scenario planning can be a beneficial tool in supporting financial planning, can enhance transparency and oversight to the budget setting process and this leads to our improvement recommendation made in 2021/22 to be restated. We recommend the Council introduces wider financial scenario planning within its MTFS and to include such information in annual budgeting setting reports.

The Council’s MTFS 2022/23 to 2031/32 identifies a revenue budget gap of £31.8m as detailed in below:

Figure 1 : Budget Gap 2023/24 – 2031/32

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Use of Reserve s £m	0	0.35	2.1	5.1	4.7	4.8	4.2	3.7	3.5	3.3	31.8

Figure 1 identifies that the Council is required to close a budget gap of £31.8m, which represents 210% of the 2022/23 net budget requirement. The Council’s overall approach is to utilise reserves to manage the short to medium term funding gap. However, the MTFS 2022/23 – 2031/32 states that general fund unallocated reserves will be exhausted by 2027/28 and the MTFS 2023/24 – 2031/32 does not include a plan to replenish these reserves which reduces the Council’s ability to manage financial uncertainly.

Financial sustainability (continued)

Medium Term Financial Strategy 2022/23 – 2031/32 (Cont'd)

The Council has informed us that a Transformation Working Group has been formed during 2023 whose membership included the Council leader, Finance Portfolio Lead, Deputy Leader, and statutory officers of the Council. The Transformation Working Group aim is to steer the Council's response to the challenging financial situation, guide the preparation of a sustainable MTFS consistent with the Council Plan, and oversee the delivery of the Council's work programme in terms of service transformation, investment and revenue generation.

Included within the group terms of reference are the following objectives:

- Reach a common understanding of the financial challenges facing the Council and its financial position
- Champion effective financial planning, and help the Executive/Council develop a sustainable financial strategy which will deliver both a balanced budget and Council Plan priorities
- Monitor areas of financial risk and track transformation activity and planned savings.

The Council has put in place arrangements to identify alternatives to the use of reserves to support budget gaps in the Council MTFS. The Council does have sufficient reserves to support the budget gaps in the MTFS until 2027/28 however the current lack of identified savings and alternative to the use of reserves presents risk to the Council's financial sustainability in the medium term and this leads to an improvement recommendation.

We recommend the Council places a significant and immediate focus on developing planned savings and wider alternatives to the use of reserves in the management of budget gaps within the Council MTFS.

Council Reserves

On 15 February 2023 full Council considered the Budget Report for 2023/24 which included a report of the Chief Finance Officer on the robustness of the adequacy of the Council's reserves in adherence to the requirement within Section 25 of the Local Government Act 2003.

The Council's general fund balance (unallocated reserves) was forecast to be £12.9m as of 31 March 2023, 99% of the 2022/23 net revenue budget. The Chief Finance Officer concluded that the level of reserves was adequate in the short term but concluded that 'swift action must be taken to improve commercial returns where possible and identify and implement cost savings'.

The sustainability of the Council's unallocated reserves, in the absence of identified savings, has already been identified in a wider improvement recommendation in the previous section of this report.

The Council's Budget Report for 2023/24 did not included specific reference to a voluntary minimum threshold of unallocated general funds reserves which could support financial sustainability, and this is included in a wider improvement recommendation below.

The Council's Budget Report for 2023/24 also did not include reference to the level of earmarked reserves held by the Council. However, we have established the Council held £14.7m of earmarked reserves as of 31 March 2023, which included a Council Priorities reserve (£0.5m) supporting the delivery of the Council's corporate plan priorities and a budget deficit reserve (£0.7) which was intended to support the Council's to manage revenue implications resulting from any future reductions in government funding representing a practical risk mitigation strategy to local government funding uncertainty.

The management and oversight of the Council's reserves could be enhanced, and this leads to an improvement recommendation. We recommend the Council considers the adoption of a voluntary minimum threshold of unallocated general funds reserves and also includes details of both unallocated and earmarked reserves in annual budget setting reports.

Treasury Management

The Council sets a treasury management strategy annually as part of the budget setting process. The Council's treasury management activities are also supported by external consultants. The Finance and Management Overview and Scrutiny considered, on 28 September 2022, a report in relation to the services provided by treasury management consultants and updated members on the Council's ongoing assessment of such arrangements through a procurement process.

On 6 September 2023 a further update was provided to Finance and Management Overview and Scrutiny that confirmed treasury management consultants had been appointed following the conclusion of the procurement process and the Council had secured an enhanced package of advisory support that included bespoke advice on policies, new legislation, borrowing options, investment opportunities advisory support the development and review of Environment, Social and Governance (ESG) investment criteria and policies.

Financial sustainability (continued)

Treasury Management (Cont'd)

The Council’s use of specialist external consultants, and the review of the level of consultancy required, to support its treasury management activities is adequate practice.

During the same meeting, the Finance and Management Overview and Scrutiny also considered the Treasury Outturn Report 2022/23 which detailed the Council’s treasury management activities for the financial year ending 31 March 2023.

The report stated outturn for investment income received in 2022/23 was £1.3m representing a 4.09% gross return on an average investment portfolio of £44.4m with investment returns exceeding the original budget set by £0.18m representing reasonable performance.

The report also explained that during 2022/23 the Council held short term loans of £5m, to maintain sufficient operational cashflow to meet the Council’s obligations, the loan was repaid in full in April 2023, we note the Council had no other borrowing during 2022/23 other than the short-term loan referenced.

In our 2021/22 Auditor Annual Report we recommended the Council enhances its treasury management activities by:

- The adoption of a treasury management indicator, in relation to the Council exposure to liquidity risk, by monitoring the amount of cash available to meet unexpected payments within a defined period, without the need for additional borrowing.
- The publication of the Council’s performance, against all agreed treasury management indicators, within the annual Treasury Outturn Report submitted to the Finance and Management Overview and Scrutiny Committee.

The Council has partially acted on this recommendation. The Treasury Outturn Report 2022/23, considered by the Finance and Management Overview and Scrutiny included a series of treasury management prudential indicators in line with requirements detailed within the CIPFA Treasury Management Code.

However, the Council has yet to adopt a voluntary treasury management indicator, in relation to the Council exposure to liquidity risk and in consideration the Council was required to access short-term/temporary borrowing to support liquidity during 2022/23 the improvement recommendation is partially restated.

We recommend the Council enhances its treasury management activities by the adoption of a voluntary treasury management indicator, in relation to the Council exposure to liquidity risk, by monitoring the amount of cash available to meet unexpected payments within a defined period, without the need for additional borrowing. Oversight of the Council’s treasury management activities is reference further later on within this section of the report.

Alignment of Financial and other Corporate Plans

In 2019, the government passed legislation to bring all greenhouse gas emissions to Net Zero by 2050. This was to align with the commitments in the Paris Agreement to limit global warming to 1.5 degrees.

The Council declared a Climate Emergency in 2020 and pledged to be Carbon Neutral by 2030. Subsequently a Climate Strategy 2021 – 2025 was adopted by full Council on 23 February 2021.

The Climate Strategy 2021 – 2025 identifies five themes as the focus of local climate action:

- Protecting and restoring natural ecosystems
- Energy
- Active travel and low-carbon transport
- Standards in new development
- Engage, support and educate.

A biannual report on the climate action taken by Council, in response to the climate emergency during and in accordance with the Climate Strategy 2021 – 2025, is produced and considered by full Council.

On 11 January 2023, the Executive endorsed the new Council Plan 2023 – 2027 which included five strategic priorities one of which included ‘Responding to the Climate and Ecological Emergency-the Council will be a community leader in responding to the challenges of climate change, including rapidly reducing greenhouse gas emissions and preparing the District and its communities for the impacts of climate change to ensure a fair transition for all to a future that will be defined by climate change’ which providing direct alignment to the Council’s Climate Strategy 2021 – 2025.

Financial sustainability (continued) and Financial governance

Alignment of Financial and other Corporate Plans (Cont'd)

Full Council considered, on 19 July 2023, a report detailing actions taken by the Council over the proceeding 12 months and included a comprehensive update of activity across the five streams of the Climate Strategy 2021 – 2025 and activities undertaken to by the Council to support its ambitions to be carbon neutral by 2030. This included the decarbonisation of Council owned leisure centres, with planned decarbonisation and upgrade works reflected in the Council's capital programme budget for 2022/23 and 2023/24 demonstrating further alignment to the Council financial plans which demonstrates good practice.

Financial Governance - Annual budget setting process

The Council's budget setting process for 2022/23 followed an established process that involved thorough internal and external engagement that included members, officers, key partners, and stakeholders which is reasonable practice.

The budget setting process for 2022/23 began in the autumn of 2021 with the chief finance officer and finance team holding meetings with all budget managers where a 'line by line' assessment of each budget area was conducted. During these meetings revenue, capital and earmarked reserves were discussed with budget holders also identifying cost pressures, opportunities for savings or income generation, fees and charges proposals and any service changes that might have a budgetary impact. The Council also stated that in parallel to budget holder engagement there were further meetings held between the respective senior leadership teams of the Council, and the Council's significant partners being Publica and Ubico which provided additional input to the emerging budget position. The output of all the meetings was captured and assessed by the finance team who then produced budget working papers.

In our Auditor Annual Report for 2021/22 we included an improvement recommendation in relation to the budget setting process and the specific identification and assessment of Council expenditure that was discretionary or statutory in nature. The Council has stated that the assessment is now part of the budget setting process and also informed us that the Council's Transformation Groups terms of reference specifically includes a requirement for the group to identify Council spending that discretionary and to assess potential options in relation to such expenditure to support ongoing financial sustainability of the Council.

On 1 December 2021 Finance and Management Overview and Scrutiny committee were provided with an update report on the developing draft budget for 2022/23. Members were asked to note the report and submit any comments to the Executive.

The Executive, on 19 January 2022, considered the 2022/23 Budget report that included a draft revenue budget, supported by a suite of papers including a breakdown of base budget changes by service area, prior year revenue comparisons, a MTFS 2020/21 – 2030/31, proposed Fees and Charges and details of the proposed council tax base calculation. Finance and Management Overview and Scrutiny committee further assessed the draft budget for 2022/23 on 9 February 2022 providing a further opportunity for comments to be passed to the Executive however there was no reference to the Council's, proposed capital, investment, or treasury management activities.

On 16 February 2022, the Executive considered, for the final time and ahead of full Council, the 2022/23 Budget report that included a comprehensive suite of relevant appendices which did include documents relating to the Council's, proposed capital, investment, or treasury management activities. Additionally, the 2022/23 Budget report described the outcome of a public budget consultation that was conducted from December 2021 to January 2022 and had 357 respondents in total with papers publishing in full respondent's comments which supports transparency and is good practice. On 23 February 2022 full Council approved a balanced budget based on the recommendations from Executive.

In our Auditor Annual Report for 2021/22 we noted that capital, investment and treasury management strategies were not considered by the Council's scrutiny committees or the Audit and Governance Committee ahead of the full Council annual budget setting meeting for the financial years 2021/22, 2022/23 and 2023/24 and this was included in a budget setting improvement recommendation for 2021/22.

We recommended that the Council should ensure committees charged with oversight are provided with draft Capital, Investment and Treasury Management Strategies, ahead of the full Council annual budget setting meeting.

The Council's newly created Overview and Scrutiny Committee considered a Treasury Management update report on 8 November 2023. Minutes of this meeting recorded that members had queried the constitutional position on where treasury performance reports are presented, with a recommendation that this is a responsibility of the Audit and Governance Committee and not the Overview and Scrutiny Committee. The responsibility for oversight of the Council's key financial strategies remains unclear and this leads to an improvement recommendation. We recommend the Council clarifies, within its constitution, the responsibility for the oversight of the Council's Capital, Investment and Treasury Management Strategies as part of the annual budget setting process.

Financial governance (continued)

Budget Monitoring and Oversight

During 2022/23 quarterly meetings were held between the finance team and budget holders to complete a budget forecast and identify variances against the original budget set, and the reasons for them which were then recorded by the finance team in a central system. The finance team then produced quarterly budget monitoring reports for the financial year 2022/23 which were assessed by the Executive on 21 September 2022, 14 December 2022, 8 March 2023 and 13 September 2023 with each report detailing and explaining the Council's revenue and capital expenditure with a supporting narrative explaining significant variances.

Additionally, the Council's Finance and Management Overview Scrutiny Committee provided additional oversight to the Council's financial performance and considered quarter 2, 3 and 4 budget monitoring reports for the financial year 2022/23. The Finance and Management Overview Scrutiny Committee also considered a Treasury Management update report on 7 December 2022 and the Treasury Management Outturn Report 2022/23 on 6 September 2023, which was the final meeting of the Finance and Management Overview and Scrutiny Committee.

On 27 September 2023 full Council considered a report that recommended to replace the existing overview and scrutiny committees with a single new overview and scrutiny committee. The Council constitution, part 3C Committee Functions, now includes a responsibility for overview and scrutiny committee to 'review and assess the Council's overall performance in relation to its policy objectives, performance targets and budgets' and in line with this requirement a report detailing the Council's financial performance for Quarter Two 2023-2024 was considered by the overview and scrutiny committee on 8 November 2023.

Finance Function Capacity

In our Auditor Annual Report for 2021/22 we recommended that the Council strengthens its finance capacity to enable it to commit sufficient time to all aspects of internal and external financial reporting. The Council has acted on this recommendation, on 17 July 2023 the Council's performance and appointments committee recommended the appointment of a new Director of Finance (Section 151 Officer).

We also understand from the Council interim finance team resource has been secured to provide additional capacity to the team and the Council is currently recruiting another senior accountant further strengthening its finance functions.

Conclusion

Overall, we found no evidence of significant weaknesses in arrangements, for 2022/23m to ensure the Council manages risks to its financial sustainability. However, the Council, like others in the sector, is faced with several significant financial challenges that has led to a deficit budget outturn for 2022/23 and a reliance on diminishing reserves to balance projected budget gaps, with recent announcement in the governments Autumn Statement 2023 offering little comfort to the sector. These factors will require the Council to carefully navigate a challenging financial environment in the short to medium term and necessitate the Council to identify alternatives to the use of reserves, such as savings, as a priority.

We have made six improvement recommendations set out on pages 16 to 21.



Improvement recommendations

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Improvement Recommendation 1

We recommend the Council provides the Executive with an update on the Leisure contract to include:

- 2023/24 management fee income projections.
- Update on recent negotiations with the leisure provider.
- An appraisal of options required to maintain continuity of service and to normalise contractual arrangements for the remaining contract term.


Improvement opportunity identified

The Council has taken proactive steps to normalise the contractual obligations under its current leisure contract, which does not expire until 2027, and this improvement recommendation seeks to enhance transparency and support decision making in respect of this key provider.

Summary findings

The leisure contract management fee is a significant income source to the Council and non-payment presents risk the financial suitability of the Council.

Criteria impacted

 Financial sustainability

Auditor judgement


Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.

Management comments

Update was provided to the Informal Executive, in December 2023, with regards to recent discussions with GLL. The update covered the possibility of an agency arrangement and marketing work being done to increase membership. This contract is also on the agenda for the Transformation Group and on the Risk Register which is reviewed bimonthly by the Projects, Performance and Risks Management Team meeting. The emerging Leisure & Wellbeing Strategy is also on the Overview and Scrutiny Work Plan and a Task & Finish Working Group has been created to provide Member oversight of & support into the Strategy.


Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 2	We recommend the Council introduces wider financial scenario planning within its MTFS and to include such information in annual budgeting setting reports.
Improvement opportunity identified	An assessment of differing financial scenarios as part of the MTFS, and the inclusion of these within the annual budgeting setting reports, would enhance transparency, strengthen oversight and support financial sustainability of the Council.
Summary findings	The local government sector is operating within a significant degree of financial uncertainty. In our Auditor’s Annual reports for 2020/21 and 2021/22 we included recommendations relating to the use of scenario planning in the formation of the Council’s MTFS.
Criteria impacted	 Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	The MTFS updated for 2024/25 includes scenarios around key uncertainties including business rates reset, changes to New Homes Bonus funding and the Publica review.


Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 3	We recommend the Council places a significant and immediate focus on developing planned savings, and wider alternatives to the use of reserves, in the management of budget gaps identified within the Council’s MTFS.
Improvement opportunity identified	The Council does have sufficient reserves to support the budget gaps in the MTFS until 2027/28 however the current lack of identified savings and alternative to the use of reserves presents risk to the Council’s financial sustainability in the medium term.
Summary findings	The Council’s MTFS 2022/23 to 2031/32 identifies a revenue budget gap of £31.8m and that general fund unallocated reserves will be exhausted by 2027/28. Additionally, the MTFS 2023/24 – 2031/32 does not include a plan to replenish these reserves which reduces the Council’s ability to manage financial uncertainty.
Criteria impacted	 Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	The Council has put in place a Transformation Group which includes asset management planning and a review of key contracts (Ubico and GLL) on its’ Work Plan.


Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 4	We recommend the Council considers the adoption of a voluntary minimum threshold of unallocated general funds reserves and includes details of both unallocated and earmarked reserves in annual budget setting reports.
Improvement opportunity identified	This recommendation seeks to further enhance the Council’s management and oversight of the Council’s reserves levels.
Summary findings	The Council budget setting reports for 2023/24 included an assessment of the adequacy of reserves but did not include a voluntary minimum threshold of unallocated general funds reserves and did not reference the level of the Council’s earmarked reserves.
Criteria impacted	 Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	Earmarked reserves are reviewed on a regular basis to ensure that they are still appropriate. In the 2024/25 budget cycle four specific risk areas are being addressed via this review and repurposing exercise. These include the local government funding reforms, statutory override for financial instruments (set to end in 2025/26), Publica Review and the fluctuations in Investment Property income. This ongoing review is felt to be more conducive to maintaining an appropriate level of unallocated general funds rather than setting a voluntary minimum threshold. The latter could lead to decisions being made solely with regard to that minimum level rather than the business case for each decision.


Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 5	We recommend the Council enhances its treasury management activities by the adoption of a voluntary treasury management indicator, in relation to the Council exposure to liquidity risk, by monitoring the amount of cash available to meet unexpected payments within a defined period, without the need for additional borrowing.
Improvement opportunity identified	The recommendation seeks to enhance further the Council’s treasury management activates.
Summary findings	The Council’s Treasury Management Strategy does not currently include a voluntary measure of liquidity and the inclusion of a liquidity measure would support the Council’s financial planning
Criteria impacted	 Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	The Treasury Management Outturn Report for 22/23, the 23/24 Quarter 1 update position and the half year report were all fully compliant against the Strategy. Cash monitoring has been tightened. The Council has no external borrowing.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 6	We recommend the Council clarifies, within its constitution, the responsibility for the assessment of the Council’s Capital, Investment and Treasury Management Strategies as part of the annual budget setting process.
Improvement opportunity identified	Oversight and scrutiny of the Council’s key financial strategies would enhance transparency and strengthen oversight of Council budgetary decision making.
Summary findings	Capital, Investment and Treasury Management Strategies were not considered by the Council’s Scrutiny Committees or the Audit and Governance Committee ahead of the full Council annual budget setting meeting for the financial years 2022/23 and 2023/24. Members have also recently sought clarity in respect of the responsibility for oversight of the Council’s key financial strategies.
Criteria impacted	 Financial sustainability
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	Agreed.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Governance



We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and member behaviour (such as gifts and hospitality or declaration of interests) and where it procures and commissions services.

Risk management

The Council has a current Risk and Opportunity Management Strategy which clearly sets out the Council's approach to risk and opportunity management and includes reference to the level of risk the Council is prepared to accept in pursuit of its corporate objectives which is categorised as follows:

Council's Risk Appetite - Creative and Aware

- Willing to consider all potential options that are most likely to result in success
- Well evaluated risk taking
- Learns from experience

The Council's publication of its risk appetite supports transparency and provides clarity to officers in the strategic and operational management of risk which is adequate practice. The Council's The Risk and Opportunity Management Strategy also describes the tools, techniques, advice, training, and support in place at the Council to support risk and opportunity management activity and sets out specific roles and responsibilities including a requirement for the Audit and Governance Committee to oversee the Council's risk management activities.

During 2022/23 the Council maintained and regularly updated a strategic risk register which was presented to Audit and Governance Committee quarterly with the intention of providing assurance that risks to the Council are being managed and appropriate actions are being taken to mitigate risk and also to provide an opportunity for the Audit and Governance Committee members to raise questions and highlight any risks which members considered should be referenced and mitigated.

On 30 March 2023, the Audit and Governance Committee considered the strategic risk register which included a series of 14 risks mapped against the Council's corporate objectives.

The strategic risk register included:

- A description of each risk
- Red, amber and green (RAG rating)
- Initial risk assessment
- Existing control, mitigation or contingency
- The residual risk score, residual risk assessment, overall change and direction of travel indicator
- Risk response and further actions require to mitigation the risk, the risk owner, and the responsible officer.

The highest graded risks related to government funding received by the Council being reduced, potential impacts of driver shortage and Covid-19 risks to the Council's waste and recycling service, risks of cyber-attacks on the Council and resultant data security impacts, agile working and officer wellbeing, inflationary pressures on Council finances and leisure service usage and leisure contract management.

The Council's strategic risk register carried a proportionate level information that was clearly set out and described a series of key national and local risks that could impact the Council and was assessed by members regular during 2022/23 all of which represents good practice.

Internal Audit

The Council's Internal Audit service is provided by South West Audit Partnership (SWAP) a not-for-profit organisation wholly owned by 22 public sector partners. SWAP can demonstrate SWAP compliance against the Public Sector Internal Audit (PSIA) Standards due to an external quality assessment having been conducted in May 2020 in line with the PSIA requirement that an external assessment should take place at least once every 5 years.

Ahead of each financial year SWAP develops a detailed audit plan for the Council, which is informed by a risk assessment, conducted by SWAP, consultation with senior management and in consideration of the Council's own strategic risk register.

Governance (continued)

Internal Audit (Cont'd)

The internal audit plan that is developed is a 12-month rolling plan that includes key areas of coverage but retains an element of contingency in order that the plan can remain flexible and respond to new and emerging risks areas requiring internal audit activity which is reasonable practice.

The Council’s constitution (part 3C) places a responsibility on the Audit and Governance Committee to monitor the adequacy and effectiveness of the Internal Audit service and in adherence to this requirement the proposed internal audit plan for 2022/23 considered by the Audit and Governance committee on 21 April 2022. The proposed internal audit plan included 25 audits and reviews that included 8 core areas that included core financial systems, human resources, revenues and benefits, ICT, risk management, performance management, regulatory services and procurement. During 2022/23 an internal audit progress report was considered at each meeting of the Audit and Governance Committee summarising the internal audit work concluded in the proceeding period allowing members to assess progress but also to consider finalised audit findings, which supports timely reporting and assessment, and is good practice.

The Internal Audit Annual Report for 2022/23 was considered by the Audit and Governance Committee on 10 August 2023 and included a summary of the work undertaken by internal audit during 2022/23 and an overall opinion on levels of assurance resulting from this internal audit activity. The Internal Audit Annual Report for 2022/23 detailed outturn performance results for 2022/23 year as per Figure 2 below:

Performance Target	Performance [%]
Overall client satisfaction	100
Value to the organisation	100

Figure 2 shows that the audit plan performance statistics for 2022/23 were reported using qualitative measures only. The Internal Audit Annual Report for 2022/23 did include an ancillary table of activity that detailed 38 reviews that had been delivered as part of the 2022/23. This exceeded the original plan of 25 reviews, and this represents effective performance and demonstrates the agile nature of the internal plan.

However, the representation of internal audit performance statistics could be enhanced by the inclusion of quantitative performance measures to support oversight. This has not been raised as an improvement recommendation for 2022/23 as we have been informed by SWAP that the Internal Audit performance reporting framework is currently under review and SWAP will seek to agree with the Council, during 2023/24, performance measures that include both quantitative and qualitative measures, that support ease of assessment, oversight and reflect the agile nature of the internal audit plan.

The Internal Audit Annual Report for 2022/23 included the Head of the Internal Audit opinion on the overall adequacy and effectiveness of the system of internal control in operation at the Council. The opinion’s conclusion was: ‘On the balance of our 2022/23 audit work for the Council, enhanced by the work of external agencies, I am able to offer a Low Reasonable Assurance opinion in respect of the areas reviewed during the year.’

Council Arrangement to Prevent and Detect Fraud

In our Auditor Annual Report for 2021/22 we detailed the suite of policies the Council, and the Council’s resourcing partner Publica, has in place which describe the measures taken to minimise fraud, bribery and corruption. Additionally, an improvement recommendation was included in the Auditor Annual Report for 2021/22 for the Council to agree and adopt a Code of Conduct for Council employees as this is a key document supporting the Council’s approach and controls in the prevention and detection of fraud. The Council has acted on this recommendation and on 21 September 2023 full Council considered Constitution Working Group Report which stated that a new employee Code Conduct was being developed and would form part of the constitution once adopted. During 2022/23 the Council also reviewed all associated employee policies relating to retained officers and on 11 October 2023 the Executive considered a report that recommended the adoption of 26 updated employment policies which further supports the Council’s control environment.

The Council also sought to strengthen its whistleblowing arrangements during 2022/23. On 21 April 2022, the Audit and Governance Committee considered a new Whistleblowing Policy that highlight key legislation and the roles and responsibilities of members, officers, and Publica staff.

Governance (continued)

Council Arrangement to Prevent and Detect Fraud (Cont'd)

We have been informed by the Council that during 2022/23 Council officers and Publica staff were required to complete the mandatory whistleblowing training and that further information on how to report a whistleblowing concern was issued to all officers and staff on 2 April 2023 which represents reasonable practice.

During 2022/23 the Council continued its participation within a shared service agreement between the Council, Forest of Dean District Council, Cotswold District Council, Tewkesbury Borough Council, Cheltenham Borough Council and Publica, to operate a Counter Fraud and Enforcement Unit to investigate allegations of internal and external fraud and to conduct proactive campaign and interventions to minimise fraud, bribery and corruption.

The Council's constitution states the Audit and Governance Committee is responsible for monitoring the adequacy and effectiveness of the (Council's) arrangements in place for combating fraud and corruption and in accordance with this requirement a proposed Counter Fraud and Enforcement Unit work plans for 2022/23 were considered by the Audit and Governance Committee on 21 April 2022. The Counter Fraud and Enforcement Unit work plan for 2022/23 detailed 33 proposed areas of planned counter fraud activity that was allocated across eight work streams being governance, policy, procedure, bribery and corruption, serious and organised crime, statutory investigations, strategic detection and prevention of fraud.

On 23 November 2022, the Audit and Governance Committee considered a report recommending the adoption of a new Fraud Risk Strategy, that had been developed by the Counter Fraud and Enforcement Unit on behalf of the Council. The Fraud Risk Strategy described high risk areas of fraud that the Council could be exposed to and set recommended response methods. The strategy also stated it had been developed to comply with Government Functional Standards relating to counter fraud activities and included checklists intended to inform areas to be included within the Counter Fraud and Enforcement Unit work plans. During the same meeting of the Audit and Governance Committee considered an updated Counter Fraud and Anti-Corruption Policy, reviewed to ensure compliance with current legislation, and considered a Counter Fraud and Enforcement Unit Update Report summarising activity taken in accordance with the Counter Fraud and Enforcement Unit work plan for 2022/23.

Council Arrangement to Prevent and Detect Fraud (Cont'd)

On 30 March 2023, the Audit Committee considered a report of the Counter Fraud and Enforcement Unit activities during 2022/23 which provided a further comprehensive summary of the Council's Counter Fraud activity that had been conducted throughout 2022/23. The report also referenced that during 2022/23 the Counter Fraud and Enforcement Unit became a partner of the multi-agency approach to fraud group (MAAF). This partnership group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, the NHS and representative from other regional Councils. The purpose of the group is to collaborate on anti-fraud initiatives, raises awareness of fraud prevention within communities and to disrupt fraudulent activities within the region.

The Council's adoption of a Fraud Risk Strategy, supported by the activities of the Council's Counter Fraud and Enforcement Unit, and its participation within the MAAF partnership, demonstrates the importance the Council places on the prevention and detection of fraud and this represents good practice.

Monitoring Officer Arrangements

The Council is required by law to appoint the following statutory officers:

- Head of Paid Service (Chief Executive)
- Section 151 Officer (Director of Finance)
- Monitoring Officer (Director of Governance)

A monitoring officer is the statutory officer responsible for the legal governance of a Council. They have a legal duty place upon them to ensure a Council fulfils their statutory obligations and applies the adopted member code of conduct; this includes investigating and reporting on activity that could be illegal.

During 2022/23 the Council had a part time and interim monitoring officer satisfying the Council's legal obligations however the Council has reviewed the suitability of these arrangements. On 21 September 2022, the Executive considered a report titled Review of Monitoring Officer Arrangements and Officer Structure. The report identified that the existing part time arrangements has not provided enough capacity to address code of conduct complaints, to take forward the ongoing review of the Council's Constitution, and to contribute to the wider work of the Council.

Governance (continued)

Monitoring Officer Arrangements (Cont'd)

The report recommended that the Council should recruit and appoint a full time Monitoring Officer who would have additional responsibilities focused on helping the Council achieve its priorities in partnership with Publica and Ubico colleagues. Subsequently the Council appointed a full time Monitoring Officer (Director of Governance) who joined the Council in June 2023. The Council's review of capacity and resource needs in relation to statutory officers is good practice and this additional capacity could support the Council as it repatriates services from its resourcing partner Publica, with this area of activity being referenced more fully within the Improving economy, efficiency and effectiveness section of this report.

Council Decision Making

Council Constitution

The Council publishes its constitution on its website. The constitution is a written legal document that guides the Council on its decision-making processes. It provides a basis and framework for the members and officers to work within and sets out how decisions are taken, who has the power to take which decisions and sets out the procedures, codes and protocols to be followed to ensure decisions are made efficiently, transparently and with accountability to local people.

The Council has a duty to review the constitution annually with any necessary changes being considered by full Council. The Council formed, in July 2021, a cross part Constitution Working Group to conduct a full review of the constitution and on 27 April 2022, 19 October 2022, 18 January 2023 and 22 March 2023 full Council considered reports that summarised the work of the Constitution Working Group with each report recommending various amendments and updates to the constitution. A further significant change to the Constitution was made in September 2023 in relation to the Council's Overview and Scrutiny Committees and is referenced later in this report.

The Council's publication of its constitution on its website and the regular review of the constitution during 2022/23 enhances transparency, fulfils the Council's legal responsibilities and demonstrates good practice.

Model of Governance

During 2022/23 the Council continued to operate a cabinet and Council leader model of governance, from 18 January 2023 cabinet was renamed the Executive but this did not impact the model of Council governance and was a change in name only.

The Executive at the Council consists of nine members, that met 11 times during 2022/23, and work of the Executive falls into three main areas: advising the Council on future policy, taking decisions, providing they are in line with existing policy and not covered by the Non-Executive Committees; and appointing representatives on outside bodies and organisations.

The Executive is supported by several committees. The Council publishes on its website details of all Executive, committee and full Council meetings, and this includes the agendas, minutes and decisions made. The Council also has enabled live broadcasting of some Council meetings, with further functionality planned, which enhances transparency and demonstrates reasonable practice.

Oversight of decisions proposed and made, by the Executive, during 2022/23 was provided by the Council's Overview and Scrutiny committees being: Finance and Management Overview and Scrutiny Committee, Economic and Social Overview and Scrutiny Committee and Climate and Environment Overview and Scrutiny Committee. These Overview and Scrutiny committees met a total of 15 times during 2022/23 and minutes of these individual meetings show active participation of members in the examination of a wide range of Council activity.

Our Auditor's Annual Report for 2021/22 included an improvement recommendation for the Council to review its Oversight and Scrutiny requirements to reassure itself that its governance arrangements are robust, as part of this review the Council should review Part 3 of the Council's constitution to ensure the Council's Oversight and Scrutiny Committees have clearly defined roles and areas of focus.

The Council has acted on this recommendation and on 27 September 2023 full Council considered a Constitution Working Group Report that recommended to replace the three existing overview and scrutiny committees with a single new overview and scrutiny committee, chaired by a member of the opposition with a proposed schedule of meetings that would enable timely pre-decision scrutiny of Executive decisions.

The Council's review of its governance structures to ensure they are suitable demonstrates good practice.

Governance (continued)

Council Decision Making (Cont'd)

Full Council, on 27 September 2023, also considered a report regarding Political Proportionalities on Committees that detailed the allocation of seats on committees, and this is referenced in a wider improvement recommendation later on in this section.

The Council operates an Audit and Governance Committee, which is responsible for monitoring the adequacy and effectiveness of the Council's control and governance environment. The Council's Audit Committee met five times during 2022/23 with minutes of these meetings demonstrating a range of topics being assessed within the Audit and Governance Committees remit.

In our Auditor Annual Report for 2021/22 we included an improvement recommendation in relation to the Council's Audit and Governance Committee. We recommend the Council conducts a self-assessment exercise, in line with CIPFA guidance, which will support the Audit and Governance Committee to evaluate and define its scope, functions and impact and also identify areas for training and improvement. This output of the self-assessment exercise will also support the Council to identify the most suitable governance arrangements for treasury management activities.

The Council has acted on this recommendation and on 23 November 2023 the Audit and Governance Committee considered a report in relation to CIPFA Audit Committees: Practical Guidance for Local Authorities and Police and Audit and Governance Committee members resolved to complete the associated self-assessment and evaluation toolkit to enable Committee members to identify any training needs to ensure they meet the principles as set out in the CIPFA guidance.

The CIPFA Audit Committees: Practical Guidance for Local Authorities and Police includes a recommendation that Councils should strive to have no more than eight members as a committee of this size should allow sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.

As already referenced earlier on in this report, full Council on 27 September 2023, considered a report regarding Political Proportionalities on Committees that detailed the allocation of seats on committees, this detailed that the Overview and Scrutiny Committee had 24 members and the Audit and Governance Committee would have 17 members (as it did in 2022/23) and this leads to an improvement recommendation. We recommend that the Council reviews number of members that serve on the Overview and Scrutiny and Audit and Governance Committees to satisfy itself the numbers are optimum and of a number that supports effective oversight.

Standards and Behaviours

On 23 August 2023 the Audit & Governance Committee considered the Council's Annual Governance Statement and Local Code of Corporate Governance for 2022/23. These documents detailed the Council's activities, during 2022/23, that supported an effective governance framework. The Annual Governance Statement for 2022/23 also included an action plan of activity to be undertaken during 2023/24 to further develop the Council's governance arrangements which represents good practice.

The Annual Governance Statement referenced the Council's Members Code of Conduct 2023 which sets out general principles of conduct expected of all members and specific obligations in relation to standards of conduct.

Investigation of, and decisions on, allegations of failure to comply with the Members Code of Conduct are considered and determined by the Monitoring Officer and/or an independent person and with support from the Council's Standards Panel.

Within our Auditor Annual Report for 2021/22 we included an improvement recommendation in relation to the Council's formal reporting of members code of conduct complaints. We recommend that the Council submits a combined summary of code of conduct complaints for the financial years 2021/22 and 2022/23 to the Audit and Governance Committee by the end of 2023 and thereafter provides the Audit and Governance Committee with an annual report on code of conduct complaints in adherence with the Council's constitution.

The Council has acted, in part, on this recommendation and on 28 September 2023 the Audit and Governance Committee considered a report in relation to code of Conduct complaints received for the period 1 April 2022 to 31 August 2023 and resolved to request an annual report on Code of Conduct complaints.

The report explained that during the period 1 April 2022 to 31 August 2023 there has been 7 Code of Conduct complaints in respect of the Council's members of which 5 had been withdrawn or dismissed, 1 remained under investigation and 1 complaint that progressed to a hearing which related to social media posts causing offence.

Governance (continued)

Standards and Behaviours (Cont'd)

The member complaint, that had progressed to a hearing, was determined by the Council's Standards Committee on 22 February 2023 and it was found that the member had breached the Code of Conduct. It was recommended that the member was provided with training on inclusion and diversity and the appropriate use of social media. During the Standards Committee meeting, on 22 February 2023, an associated recommendation was made that the Audit and Governance Committee considers an officer report on member training and that inclusion and diversity awareness training, and training on the use of social media, are provided to all members with attendance being made mandatory.

Subsequently, on 30 March 2023, the Audit and Governance Committee considered a report providing an update on the plans for member training and considered the recommendations of the Standards Sub-Committee relating to mandatory inclusion and diversity and social media training for members. Minutes of the Audit and Governance Committee state that it was agreed that training on inclusion and diversity, the use of social media, and the Members' Code of Conduct would be strongly encouraged for all members, but a mandatory requirement would not be supported or introduced.

We understand from the Council that Social media training was held for Council members on 8 June 2023 however one of the Council members attended. Inclusion and diversity training took place on 18 September 2023, and this was attended by nine members.

Higher levels of attendance in respect of members training could support the Council's governance framework and further promote high standards and model behaviours in line with the Council's Members Code of Conduct, particularly in relation matter of inclusion and diversity and the acceptable use of social media by members and this leads to an improvement recommendation. We recommend that the Council explores ways to foster greater engagement and attendance for member training sessions with a particular emphasis on inclusion and diversity, social media and the Members Code of Conduct.

The Council's code of conduct for members 2023 includes gift and hospitality guidelines for members. Member gifts and hospitality declarations are published under each member's profile on the Council's website which supports transparency. Publica, the Council's resourcing partner, also maintains a gifts and hospitality declaration process for officers and staff which is managed and overseen by the Human Resources team with requirements clearly outlined with the Publica Business Conduct Policy 2021.


The Council has a register of Data Breaches that is updated regularly, and we have reviewed the register and can find no evidence of significant data breaches during 2022/23. We also note that a Cyber Security update has been included within the Audit and Governance Committee forward work plan in adherence the constitutional requirement for the Audit and Governance Committee to monitor the adequacy and effectiveness of cyber security arrangements. Matters of data protection and cyber security remain a significant area of risk for all organisations as digital technology develops at pace and becomes even more embedded within the workplace and the Council's commitment to review its cyber security arrangements demonstrates good practice.

In completion of the Auditor's Annual Report for 2022/23 we have found no evidence of breaches of legislation or regulatory standards during the financial year nor is there evidence of significant or repeated departure from regulatory or statutory requirements or professional standards during this period.

Conclusion

Overall, we found no evidence of significant weaknesses in the Council's governance arrangements. We have made two improvement recommendations which are set out on pages 28 to 29.


Improvement recommendations

Improvement Recommendation 7	We recommend that the Council reviews number of members that serve on the Overview and Scrutiny and Audit and Governance Committees to satisfy itself the numbers are optimum and of a number that supports effective oversight.
Improvement opportunity identified	This improvement recommendation seeks to ensure the number of members appointed to the Overview and Scrutiny and Audit and Governance Committees are proportionate and suitable for the Council's requirements.
Summary findings	During 2022/23 the Council's Audit and Governance Committee had 17 members. The CIPFA Audit Committees: Practical Guidance for Local Authorities and Police includes a recommendation that Councils should strive to have no more than eight members. During 2022/23 the Council operated 3 Overview and Scrutiny Committee's, each with 15 members. During 2023/24 the Council has resolved to have only one Overview and Scrutiny Committee but with 24 members.
Criteria impacted	 Governance
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	Agreed – As part of the CIPFA Self-Assessment the Audit & Governance Committee will be invited to consider their composition and following the recent creation of a single Overview and Scrutiny Committee a 12-month review will be undertaken to evaluate its effectiveness to include the number of Members that serve on it.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

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Improvement Recommendation 8	We recommend that the Council explores ways to foster greater engagement and attendance for member training sessions with a particular emphasis on inclusion and diversity, social media and the Members Code of Conduct.
Improvement opportunity identified	This improvement recommendation seeks to further strengthen the Council’s governance arrangements and ensure relevant training is undertaken by members.
Summary findings	The Council regularly provides training to its 49 elected members. However, there were low levels of attendance to recent member training sessions in respect of inclusion and diversity and social media usage. Increased levels of member participation in training sessions relating to these areas would support members to maintain appropriate standards, demonstrate adhered to the members code of conduct and support the Council’s governance arrangements.
Criteria impacted	 Governance
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.
Management comments	Agreed.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improving economy, efficiency and effectiveness



We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

Managing Performance

Following Council elections in May 2022, the new Council administration developed a new corporate plan, informed by extensive stakeholder consultation under the campaign 'Your Voice Counts'. On 11 January 2023, the Executive endorsed the new Council Plan 2023 – 2027 which included five strategic priorities:

- Putting Residents First
- A Good Quality of Life for All
- A Better Environment for People and Wildlife
- Responding to the Climate and Ecological Emergency
- Working Together for West Oxfordshire

Under the strategic priority 'putting resident first' the Council stated 'it will actively manage budgets, delivering good levels of service through the wise and efficient use of funds available' which affirms the Council's strategic focus and commitment on delivering performing services, within the agreed financial envelope, which is reasonable practice.

During 2022/23 the Council regularly monitored service performance. Each quarter, the Council's Finance and Management Overview and Scrutiny Committee, and then the Executive assessed a Council Service Performance Report.

On 12 July 2023, the Executive considered the service performance report 2022/23 quarter four. The covering report included a narrative assessment of service area performance supported by service dashboards.

The Council's quarterly monitoring of service performance which is then subject to oversight is reasonable practice.

Within our 2021/22 Auditor's Annual Report we recommended the Council undertakes a review of the data provided within the quarterly service dashboards to strengthen service performance reporting and oversight. The review should ensure the quarterly service dashboards include:

Service performance measures that are linked to corporate objectives.

- Agreed targets, where relevant.
- An explanation of sources of the data.
- Defined performance indicators.
- Simplified data graphs.
- Benchmarking data to assist the Council appraise its performance and value for money.

The Council has responded to this recommendation. On 13 September 2023, the Executive considered the 2023/24 Quarter 1 service performance report and noted the improvement recommendation within the 2021/22 Auditor's Annual Report in relation to service performance reporting. The Executive resolved to request that officers review the performance indicator data set to better reflect the emerging priorities and actions in the revised Council Plan. We consider the Council should now place a significant focus on strengthening its service and corporate plan performance reporting, in line with the request of the Executive, in order that arrangements can be assessed in the Value for Money assessments for 2023/24.

Benchmarking Performance

As part of our work, we have assessed indicators from the Grant Thornton and CIPFA financial benchmarking tool CFO Insights. This compares unit costs for a range of services, using revenue outturn data for 2022/23, and then benchmarks the Council's unit costs with its statistical nearest neighbours.

Improving economy, efficiency and effectiveness (continued)

Benchmarking Performance (Cont'd)

Of the six main revenue outturn service groupings the Council's cost of provision was very low for housing services, planning and development, and cultural and related services. Highways and transport, environmental and regulatory services and central services identified as high or very high in comparison to statistical neighbours, specifically in relation to:

- Climate change costs.
- Community safety.
- Flood defence.
- Recycling, street cleansing and trade waste.
- Environmental protection.
- Parking Services and tourism.
- Central services provided to the public.

These areas require further investigation by the Council to establish the reasons for unit costs being very high in comparison to other districts and this could support the Council to identify options that may help address the budget gaps identified in the MTFS 2022/23 to 2031/32 as already referenced within the financial sustainability section of this report.

We have been informed by the Council that a Transformation Group has been formed during 2023 help steer the Council's response to the challenging financial situation. A key objective, detailed within the Transformation Group's terms of referenced, is to review benchmarking data to identify further lines of enquiry which might reduce the cost base of services which demonstrates the Council's commitment to use benchmarking insights as part of its transformational activities which demonstrates good practice.

Partnership Working

Ubico

Ubico provides environmental services to the Council including household and commercial refuse collection, street cleansing, grounds maintenance, pest control and a dog warden service. Ubico is wholly owned by eight shareholders being the Council, Cotswold District Council, Forest of Dean District Council, Cheltenham Borough Council, Tewkesbury Borough Council, Gloucester City Council, Stroud District Council and Gloucestershire County Council and operates as a not not-for-profit Teckal company.

The Executive, on 20 April 2022, considered the Ubico Business Plan 2022/23 report which detailed objectives and planned activity for 2022/23, included a 2021/22 performance summary and the report referenced how Ubico is working in partnership with Publica and the Council as part of the Environmental Services Innovation Program (ESIP). The report stated the ESIP was bringing forward opportunities to deliver better services to residents, reduce the effect services have on the climate and environment, and capture efficiency and financial savings for all Council partners. And that during 2021/22 ESIP has delivered:

- In-cab technology that has helped maintain a high performing waste and recycling service and makes it easier for residents to report missed collections.
- A new online process for residents to purchase green waste licences.
- Reductions in fly tipping.
- A Litter bin review and replacement programme.
- The purchase of a new electric road sweeper to support the Council's climate change strategy.

The report also explained that the Council's Finance and Management Overview and Scrutiny Committee have reviewed the Draft Business Plan and feedback had been incorporated into the final draft. The Council's assessment and oversight of prior year performance, and planned activities, of this key partner represents reasonable practice.

Matters relating to Ubico were again considered by the Executive on 3 March 2023 who were provided with an update report on a waste service review and the Ubico contract extension.

The report explained external consultant has been engaged by the Council, in January 2022, to review the current waste collection service and model potential future options. An assessment report had been produced by the consultants and was now subject to due diligence work by officers and it was anticipated that the waste service review will be concluded later this year (2023) and then members will be able to consider the options and agree a roadmap.

In our review of the Executive forward plan, we have not seen evidence that such a review has been concluded and this forms part of an improvement recommendation later in this section. The report also explained that separate consultants had been commissioned to conduct a value for money assessment for the Council to help inform Council decision making with regards to the Ubico contract.

Improving economy, efficiency and effectiveness (continued)

Benchmarking Performance (Cont'd)

The report stated the consultant's assessment was that there were clear advantages to Ubico continuing to deliver the service for the Council and officers recommended that the contract with Ubico should be extended until 31 March 2026. The report also stated this should also allow time for Ubico to work with the Council to conduct the necessary due diligence on the waste service review (during 2023) and it will also allow for the delivery of further efficiencies under the ESIP in support of the Council's MTFS.

During 2022/23 to date there is considerable Council activity surrounding the activities of Ubico, all of which could have implications for the type and level of service delivery commissioned and have subsequent consequences to the Council's financial planning and financial sustainability.

Greater clarity to these various streams of activities would support oversight and transparency and this leads to an improvement recommendation. We recommend the Council provides an update report, to those charged with governance, in respect of the commissioned waste service review and the environmental services innovation program (ESIP) and how these commissioned streams of work will:

- Shape service delivery and impact future environmental services procurement
- Impact the Council's financial planning

We also recommend the report includes a road map of activities and milestones including a proposed model of governance to ensure effective oversight and to support transparency.

Partnership Working

Publica

Publica was formed in 2017 and is wholly owned by the Council, Cotswold District Council, Forest of Dean District Council and Cheltenham Borough Council. It is a not-for-profit Teckal company that is responsible for delivery of almost all services under contract on behalf of the member Councils. While Publica works closely with the Council, the company has its own board of Directors, its own Management team, and operates independently from the Council.

On 20 April 2022, the Executive considered a report detailing the Publica Business Plan 2022-25. The report explained the business plan sets out the high level, strategic objectives and ambition for Publica over the next three years and how it will deliver both day-to-day services and the key priorities for each shareholder Council. Additionally, the report referred to the increasingly challenging financial circumstances of the member Councils which will be a major driver for the focus of Publica's work.

Publica, and the Council's financial sustainability, was further referenced in the Council's Annual Governance Statement for 2022/23 as considered the Audit and Governance Committee on 23 August 2023. The Annual Governance Statement stated that given the creation of Publica is five years on, over the coming year all shareholder Councils will jointly conduct a robust review of future options to make sure the solutions needed for the Council to achieve financial stability can be achieved, given the MTFS shortfall over the years ahead. This review will examine the priorities for service delivery, options for reduction or transformation and how the Publica model fits into this.

Subsequently, the Publica shareholder Councils, commissioned external consultants to review the Publica partnership with findings of this review being detailed with a Publica Review report, considered by the Executive on 15 November 2023.

The report recommended most of the services current provided by Publica should be returned to the Council, adopting a phased approach between 2023/24 and 2024/25, with a select few services remaining in Publica, with the report explaining that the recommendation could have the following potential benefits:

- Greater autonomy for the Council over service delivery and for shaping future services.
- More direct control over service spend, and greater ownership of savings plans.
- Potentially easier recruitment given the offer of the Local Government Pension Scheme.
- Ability to provide specific focus on key service areas and programmes for the Council.
- Ability to be more 'fleet of foot' – shaping services specifically to the needs of the Council's residents and communities rather than adopting a one size fits all approach.

Improving economy, efficiency and effectiveness (continued)

Partnership Working (Cont'd)

The Publica Review report stated the exact costs associated with the proposed change were yet to be fully established however initial analysis indicated that the new proposed model has a net additional cost of £0.15m per annum and the report also recommended the Council set aside £0.3m from reserves to fund transition to help fund preparatory and transitional costs during the financial year 2024/25.

We understand from the Council that in consideration of the significance of the Publica Review report recommendations that a special meeting of the Council's Overview and Scrutiny Committee will be held on 18 December 2023 to consider the Publica Review report, this will allow for additional governance and input ahead of a final decision being adopted by full Council which is reasonable practice.

The Council has also stated that they are also actively considering the resource requirements need to manage the repatriation of services, subject to final governance approval, and are alert to the potential need to source interim roles to support the programme of work and to reflect the complexity of the repatriation.

We recognise that the Council's decisions in relation to Publica relate to the financial year 2023/24 whereas our Value for Money assessments principally relate to arrangement during 2022/23. However, the Publica Review Report represents a significant development in the Council's partnership arrangements taken at the time of our assessments and therefore has been included within this Auditor Annual Report. For the Council to realise the potential benefits of repatriation as outlined in the Publica Review report, going forward the Council will need to place a significant focus on a wide range of complex requirements and dependencies, and this leads to an improvement recommendation. We recommend the Council incorporates the following measures and considerations within its planning of the repatriation of Publica services:

- Careful alignment of governance and transition arrangements across the four respective Council's including reaching consensus on new operating models and services that are to be retained within Publica to ensure decision making and the pace of change is appropriate and measured.
- Ensure appropriate ongoing oversight is provided to each stage of repatriation plan.
- Putting in place the required skills and capacity to ensure the repatriation programme is adequately resourced.

- Supporting the existing workforce, and maintaining sufficient workforce capacity, during the transition period.
- Monitoring and maintaining agreed levels of service performance during the transition period.
- Identifying and reporting the actual impacts of repatriation to the Council's MTFS and longer-term financial sustainability.

Partnership Working

Strategic planning

The Council has significant partnership arrangements and can demonstrate it regularly reviews and assesses the effectiveness of partnerships and is prepared to consider alternatives that will better support the Council in the achievement of its objectives.

However, the Council has not yet clearly articulated its overall strategy in relation to partnerships and how partnership working will support the achievement of the Council corporate objectives, and this leads to an improvement recommendation.

We recommend that the Council develops and approves a partnership strategy and association partnership register, to include:

- A central record of Council's partnership activity, including partnership governance arrangements.
- An assessment of partnership risks and subsequent mitigations through the inclusion of a partnership risk register.
- Best practice information for officers in respect of partnership management.

The introduction of a partnership strategy and register would help ensure partnership working is considered in decision-making process, help support partnership management within the Council, enhance transparency of partnership arrangements, and further strengthen the Council's wider governance arrangements.

Improving economy, efficiency and effectiveness (continued)

Procurement and Contract Management

The rules governing public procurement are changing following the government's introduction of the new Procurement Act 2023. The government states the Procurement Act 2023 will bring a range of benefits, including:

- A simpler and more flexible commercial system that better meets our country's needs while remaining compliant with our international obligations.
- Opening up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- Taking tougher action on underperforming suppliers and excluding suppliers who pose unacceptable risks.
- Embedding transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

The changing legislative framework has required the Council to regularly review its procurement and contract management strategy and on 28 September 2022 the Finance and Management Overview and Scrutiny Committee considered a report recommending the adoption of a new Procurement and Contract Management Strategy 2022. Then on 13 September 2023 the Executive considered an updated Procurement and Contract Management Strategy 2023 which the Council stated had been revised to ensure adherence to the changing legislative frameworks and best practice, and that further updates would be provided when new government legislation is finalised, which is expected to be in October 2024.

We also understand from the Council that a programme of staff training is being planned to ensure staff are fully aware of the requirements of the Procurement Act 2023. The Council's frequent review of its procurement and contract management strategy, and staff training needs, within a changing legislative environment, represents good practice.

In our Auditor Annual Report for 2021/22 we included an improvement recommendation for the Council to review its contract procedure rules to ensure they fully align with the Council's procurement and contract management process. The Council subsequently revised the Council's contract procedure rules to ensure alignment with the new Procurement and Contract Management Strategy 2023 and satisfied this recommendation.

The Council's contract procedure rules detail a waiver process as in some situations the Council may not be able to fully comply with normal procurement practice requirements.

As part of our work, we have assessed the number of waivers approved by the Council during 2022/23. The Council was able to provide evidence of a central repository of waiver requests, reasons for the waiver, demonstrate which part of the Council's contract procedure rule applied, and documented who approved the waiver. The Council approved three waivers during 2022/23 and have demonstrated these were approved in compliance with the contract procedure rules which is adequate practice.

Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for securing economy, efficiency and effectiveness. We have made three improvement recommendations which are set out on pages 35 to 37.



Improvement recommendations

Improvement
Recommendation 9

We recommend the Council provides an update report, to those charged with governance, in respect of the commissioned waste service review and the environmental services innovation program (ESIP) and how these commissioned streams of work will:

- Shape service delivery and impact future environmental services procurement
- Impact the Council’s financial planning

We also recommend the report includes a road map of activities and milestones including a proposed model of governance to ensure effective oversight and to support transparency.


Improvement opportunity identified

This improvement recommendation seeks to enhance further the existing oversight and transparency arrangements relating to significant streams of activity relating to the Council’s waste service and partnership with Ubico.

Summary findings

There is considerable Council activity surrounding the activities of Ubico all of which could have implications for the type and level of service delivery commissioned and have subsequent consequences to the Council’s financial planning and financial sustainability.

Criteria impacted

 Improving economy, efficiency and effectiveness

Auditor judgement

Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.

Management comments

Agreed.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 10

We recommend the Council incorporates the following measures and considerations within its planning of the repatriation of Publica services:

- Careful alignment of governance and transition arrangements across the four respective Council's including reaching consensus on new operating models and services that are to be retained within Publica to ensure decision making and the pace of change is appropriate and measured.
- Ensure appropriate ongoing oversight is provided to each stage of repatriation plan.
- Putting in place the required skills and capacity to ensure the repatriation programme is adequately resourced.
- Supporting the existing workforce, and maintaining sufficient workforce capacity, during the transition period.
- Monitoring and maintaining agreed levels of service performance during the transition period.
- Identifying and reporting the actual impacts of repatriation to the Council's MTFS and longer-term financial sustainability.

Improvement opportunity identified

This improvement recommendation seeks to highlight important factors that the Council will be required to manage in the repatriation of service from Publica back to within direct control of the Council.

Summary findings



The Publica Review report, considered by the Executive on 15 November 2023, recommended most of the services current provided by Publica should be returned to the Council. This decision will necessitate the Council to place a significant focus on a wide range of complex requirements and dependencies.

Criteria impacted

Improving economy, efficiency and effectiveness

Auditor judgement


Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.

Management comments

Agreed. A Programme Director is now in place, started on 22nd January 2024, to oversee the Publica Review and these recommendations will be a part of the detailed Transition Plan that is anticipated to be delivered in June 2024.

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations

Improvement Recommendation 11	<p>We recommend that the Council develops and approves a partnership strategy and association partnership register, to include:</p> <ul style="list-style-type: none">• A central record of Council’s partnership activity, including partnership governance arrangements.• An assessment of partnership risks and subsequent mitigations through the inclusion of a partnership risk register.• Best practice information for officers in respect of partnership management.
Improvement opportunity identified	<p>The introduction of a partnership strategy and register would help ensure partnership working is considered in decision-making process, help support partnership management within the Council, enhance transparency of partnership arrangements, and further strengthen the Council’s wider governance arrangements.</p>
Summary findings	<p>The Council has significant partnership arrangements which it regularly monitors and reviews. This recommendation seeks to enhance existing arrangements.</p>
Criteria impacted	<div> Improving economy, efficiency and effectiveness</div>
Auditor judgement	<p>Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant but have raised a recommendation to support management in making appropriate improvements.</p>
Management comments	<p>As stated in the Auditors Annual Report the Council has significant partnership arrangements and can demonstrate that they are regularly reviewed and assessed for their effectiveness. The Council will explore how the approval of a partnership strategy and associated partnership register would support the achievement of the Councils corporate objectives.</p>

Progressing the actions management has identified to address the recommendations made will support the Council in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1 We recommend the Council conducts a review its Recovery Investment Strategy to include: <ul style="list-style-type: none"> An assessment of the impact of the strategy to date, including an assessment of projected income from capital investments made. A review of the strategy against the current economic landscape and outlook. An evaluation of the strategies role and need in supporting the financial sustainability of the Council. 	Improvement	August 2023	<p>Management Response - Although the Council has reviewed multiple business cases, there has been a lack of suitable projects to invest in mainly due to the tightening of restrictions by Public Works Loan Board and the sharp rise in interest rates. The investment strategy still provides a framework to evaluate potential business cases, but the amount estimated to be invested and therefore the positive benefit to the MTFS has been revised every year with the reduction explained at length in the budget papers due to the restrictions highlighted above.</p> <p>November 2023 update - A review of Investment Properties report is currently being drafted which will cover an assessment of current performance. The Medium-Term Financial Strategy is being updated as part of the 24/25 Budget Setting process to ensure that estimates and assumptions with regards to this strategy are prudent, and in line with the economic outlook.</p>	Yes	No
2 We recommend the Council introduces wider financial scenario planning within its MTFS and to include such information in annual budgeting setting reports.	Improvement	August 2023	<p>Management Response - In the 2023/24 budget papers we showed two versions of the MTFS. One with the proposed growth items under review and one without, allowing members to see the impact of decisions made on those items.</p> <p>November 2023 update - Ongoing. It is anticipated that the MTFS will be stress tested for key uncertainties including business rates reset and changes to New Homes Bonus funding.</p>	Yes	Yes. The improvement recommendation is restated.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p>3 We recommend the Council develops and agrees the following:</p> <ul style="list-style-type: none"> A Publica Workforce Strategy, and aligned Council Workforce Strategy, that supports the delivery of the Council's corporate priorities and MTFS. An Asset Management Strategy that is aligned to the Council's new corporate plan 2023 to 2027 and Climate Change Strategy 2021-2025 that supports the Council in the delivery of its objectives through the management of physical assets in line with the Council's MTFS. 	Improvement	August 2023	<p>Management Response - Management will consider this. The Corporate Plan is still under development. Revised Council Priorities were still being agreed at the point that the 2023/24 budget was being set. We would expect any additional resource requirements raised by the new Corporate Plan to be considered as part of the 2024/25 budget setting process to ensure that they could be accommodated within our funding envelope and if not, that appropriate steps to reduce other expenditure was taken.</p> <p>November 2023 update - A review of Publica has been completed by Human Engine and options are being taken to Executive and Councils in the four shareholder Councils of Publica. The Council has put in place a Transformation Group which includes improved asset management planning on its' forward plan of potential projects. Further consideration also as part of 24/25 budget proposals (re invest to save plans).</p>	Yes.	No. The Council is considering the repatriation of Publica which would negate the need for an aligned workforce strategy and necessitate the develop of a new workforce strategy once the repatriation is complete. The Council has also stated it is reviewing asset management arrangements.
<p>4 We recommend the Council enhances its treasury management activities by:</p> <ul style="list-style-type: none"> The adoption of a treasury management indicator, in relation to the Council exposure to liquidity risk, by monitoring the amount of cash available to meet unexpected payments within a defined period, without the need for additional borrowing. The publication of the Council's performance, against all agreed treasury management indicators, within the annual Treasury Outturn Report submitted to the Finance and Management Overview and Scrutiny Committee. 	Improvement	August 2023	<p>Management Response - Work is ongoing to strengthen cashflow forecasting and much improvement has been made. Management will consider the above recommendation.</p> <p>November 2023 update - The Treasury Management Outturn Report for 22/23 has recently been reported, as has the 23/24 Quarter 1 update position. Both reporting full compliance against the Strategy. Cash monitoring has been tightened. The Council has no external borrowing.</p>	Partially.	Yes. A new improvement recommendation relating to liquidity is included within the financial sustainability section of this report.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
5 We recommend for the Council to agree and adopt a Code of Conduct for Council employees as this is a key document supporting the Council’s approach and controls in the prevention and detection of fraud.	Improvement	August 2023	<p>Management Response - This is currently being reviewed with a view to creating a Council specific code of conduct.</p> <p>November 2023 update - On 27/09/23 Council agreed that once approved the WODC Officer Code of Conduct, which is currently going through the consultation process will be added to the Constitution.</p>	Yes	No.
6 We recommend the Council enhances the budget setting process by: <ol style="list-style-type: none"> 1. The identification and assessment of discretionary and statutory expenditure. 2. Providing Committees charged with oversight with draft Capital, Investment and Treasury Management Strategies, ahead of the full Council annual budget setting meeting. 	Improvement	August 2023	<p>Management Response - Work is being done not only to review statutory and discretionary spend but also to review whether statutory expenditure is at the appropriate level. Budget papers go through multiple iterations and for the 2023/24 budget, the final versions to Council were the 8th set of published papers. While the actual strategy papers were not published ahead of time, all previous iterations highlighted the risks and issues dealt with in the formal strategy papers and the Council’s response to them. The current timing of the scrutiny committees means that they do not always fall in the window between the information being available to draft the strategy papers and the budget being set, FMOS meets in extra session to allow it to review the budget twice ahead of the final budget meeting at Council. This recommendation will be considered by management along with the revision of scrutiny timings.</p> <p>November 2023 update - A Transformation Group has been established to act as a subset of Informal Executive helping to steer the Council’s response to the challenging financial situation, guide the preparation of a sustainable MTFS consistent with the Council Plan, and oversee the delivery of the Council’s work programme in terms of service transformation, investment and revenue generation. The identification and consideration of non-statutory / discretionary spend will be considered as part of this (and is included in its terms of reference).</p>	Yes	Yes. Point 1 of recommendation has been stratified. However, point 2 remains outstanding and has been included in a new improvement recommendation within the financial sustainability section of this report.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p>7 We recommend the Council’s budget monitoring processes is enhanced further by:</p> <ol style="list-style-type: none"> 1. The optimisation of the finance system to remove the need for forecasting to be recorded outside of the core finance system. We also recommend, as part of the system optimisation, collaborative planning is also considered, allowing budget holders to have greater system access. 2. Additional oversight of the Council’s investment and treasury management activities by the introduction of mid year monitoring reports to the Finance and Management Overview Scrutiny Committee. 	Improvement	August 2023	<p>Management Response - The Council disagrees with first part of recommendation. Budget holders have read access to the system but tend not to use it. We do not currently forecast at line level which is what would be required in order to enter a forecast into the system and do not have the capacity to do so. We are adding additional resource, but it will be used on focused business partnering. Forecasting is used to identify targeted interventions which will be supported by the additional resource, and not used to reforecast everything. The Council agrees with the second part of the recommendation.</p> <p>November 2023 update - The Incoming permanent S151 Officer will be tasked with reviewing the Council’s financial management arrangements. Quarterly Treasury Management Reporting is now in place.</p>	Yes	No
<p>8 We recommend that the Council strengthens its finance capacity to enable it to commit sufficient time to all aspects of internal and external financial reporting.</p>	Improvement	August 2023	<p>Management Response - Agreed. Additional resource has been scoped and is in the process of being agreed.</p> <p>November 2023 update - Recruitment of a senior accountant is currently in progress and the closing date for applications is 13th November 2023</p>	Yes	No
<p>9 We recommend the Council reviews its Oversight and Scrutiny requirements to reassure itself that its governance arrangements are robust, as part of this review the Council should review Part 3 of the Council’s constitution to ensure the Council’s Oversight and Scrutiny Committees have clearly defined roles and areas of focus.</p>	Improvement	August 2023	<p>Management Response - Agreed, this is currently the subject of a paper suggesting a revision of committee structure.</p> <p>November 2023 update - On 27/09/23 Council approved the collapsing of three O&S Committees into one O&S Committee with the first monthly meeting scheduled for 08/11/23. A draft work plan is currently being produced with input from the Chair Elect and the Independent Remuneration Panel is being asked to consider whether they would recommend a SRA be paid to the Vice Chair and if so the amount.</p>	Yes	No

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p>10 We recommend the Council's conducts a self-assessment exercise, in line with CIPFA guidance, which will support the Audit and Governance Committee to evaluate and define its scope, functions and impact and also identify areas for training and improvement.</p> <p>This output of the self assessment exercise will also support the Council to identify the most suitable governance arrangements for treasury management activities.</p>	Improvement	August 2023	<p>Management Response - Management will consider this.</p> <p>November 2023 update - The A&G Committee Work Plan for 23/11/23 contains an item on the CIPFA Self-Assessment Toolkit with a Member Survey Results and Evaluation Report on the Work Plan for 19/03/24</p>	Yes	No.
<p>11 We recommend that the Council submits a combined summary of code of conduct complaints for the financial years 2021/22 and 2022/23 to the Audit and Governance Committee by the end of 2023</p> <p>And thereafter provides the Audit and Governance Committee with an annual report on code of conduct complaints in adherence with the Council's constitution.</p>	Improvement	August 2023	<p>Management Response - The Council's Monitoring Officer is considering this recommendation.</p> <p>November 2023 update - Report presented to Audit & Governance Committee 28/09/23</p>	Yes	No. The Council has presented a report of code of conduct complaints covering the period 1 April 2021 to 31 August 2023. The Council has stated it was not considered proportionate to go back to 1 April 2021 and committed to annual reports going forward.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
12 We recommend the Council undertakes a review of the performance data provided within the quarterly service dashboards to strengthen service performance reporting and oversight. The review should ensure the quarterly service dashboards include: <ul style="list-style-type: none">• Service performance measures that are linked to corporate objectives.• Agreed targets, where relevant.• An explanation of sources of the data.• Defined performance indicators.• Simplified data graphs.• Benchmarking data to assist the Council appraise its performance and value for money.	Improvement	August 2023	<p>Management Response - The Council’s performance management reporting was refreshed in 2022 from a lengthy report to a revised set of dashboards created in collaboration with service leads and Cabinet members. The dashboards are not directly linked to the corporate objectives because they are focused on key areas of service delivery to give management reassurance that service areas are performing appropriately with the narrative in each dashboard giving the service the opportunity to explain results or raise concerns. These services may not have been identified as priority areas, which often have specific projects underway and reported through that channel but are the core services delivered by the Council and therefore need to be robust. Indicators are reviewed periodically to ensure they are appropriate</p> <p>November 2023 update - On 13/09/23 the Executive requested Officers to review the PI data set to better reflect the emerging priorities and actions in the revised Council Plan.</p> <p>On the Executive Forward Plan for 15/11/23 a report on the proposed performance framework to be adopted based on a Narrative/Key Actions/KPI Assessment format, will be considered to guide the Council to consistently delivering high quality services, engaging citizens and ensuring accountability, transparency and continuous improvement across the Council operations.</p>	Yes	No

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
13 We recommend the Council and Publica, discuss and jointly review, the existing partnership agreements in order to: <ul style="list-style-type: none">Clarify the hierarchy and responsibility of decision making.More clearly define the service delivery requirements and expectations.	Improvement	August 2023	<p>Management Response - The Council partnership with Publica could be strengthened further by clarification of decision-making responsibilities between the Council and Publica and the existing service and commissioning agreements between them could be evolved to provide greater detail in respect of service delivery requirements and expectations.</p> <p>November 2023 update - A review of Public has been completed by Human Engine and options are being taken to Executive and Councils in the four shareholder Councils of Publica.</p>	Yes	No
14 We recommend the Council reviews its contract procedure rules to ensure they fully align with the Council's procurement and contract management process.	Improvement	August 2023	<p>Management Response - The Council's Monitoring Officer and Head of Procurement are considering this recommendation.</p> <p>November 2023 update - On 13/09/23 Executive approved a revised Procurement & Contract Management Strategy and delegated authority to the MO to update the Contract Rules which has been actioned in October 2023 (Minute No 85 refers)</p>	Yes	No

Opinion on the financial statements



Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2023 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2022/23
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

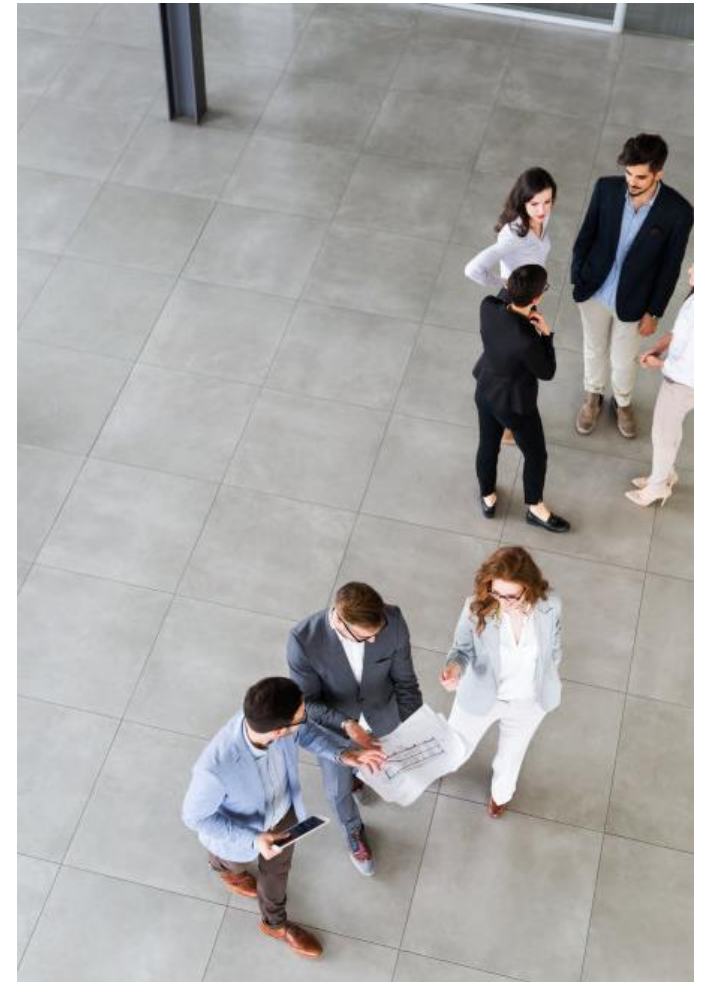
- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Audit opinion on the financial statements

We are yet to issue an audit opinion on the Council's financial statements for 2022/23.

Further information on our audit of the financial statements is set out overleaf.



Opinion on the financial statements



Timescale for the audit of the financial statements

- Our planning work took place in November 2023
- The 2022/23 Draft Audit Plan was considered Audit and Governance Committee on 23 November 2023.
- Our final accounts audit commences in January 2024.
- It is anticipated our Audit Findings Report and Audit Opinion will be presented to the Audit and Governance Committee on 19 March 2024.



Other reporting requirements



Other opinion/key findings

We are yet to issue an audit opinion on the Council's financial statements for 2022/23. It is expected to be presented to the Audit and Governance Committee in March 2024.

Audit Findings Report

Detailed findings will be set out in our Audit Findings Report, which we aim to present to the Council's Audit and Governance Committee in March 2024.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts, we are required to examine and report on the consistency of the Council's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

We are yet to issue an audit opinion on the Council's financial statements for 2022/23. It is expected to be presented to the Audit and Governance Committee in March 2024.



Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

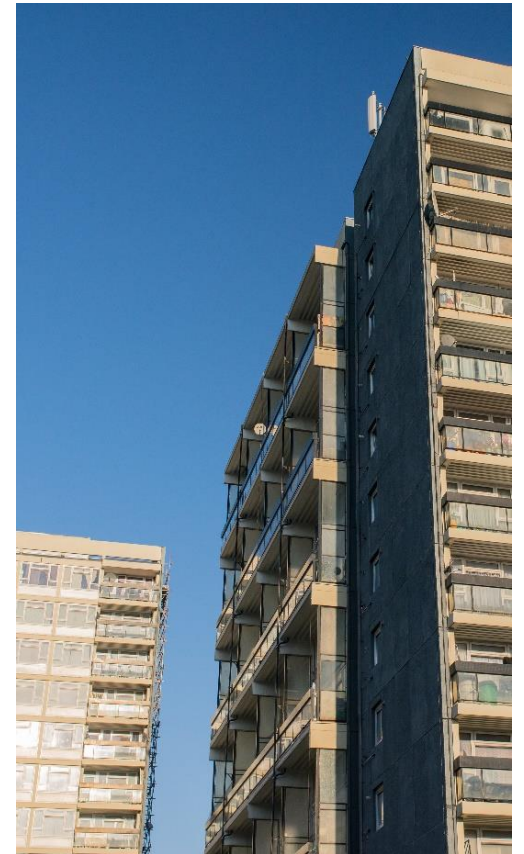
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare 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. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure 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.



Appendix B:

An explanatory note on recommendations

A range of different recommendations can be raised by the Council’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page references
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No.	Not applicable.
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of the Council’s arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’.	No.	Not applicable.
Improvement	These recommendations, if implemented, should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements.	Yes.	16-21 28-29 35-37



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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19th MARCH 2024
Subject	THE AUDIT FINDINGS REPORT (ISA260) FOR WEST OXFORDSHIRE DISTRICT COUNCIL
Wards affected	All
Accountable member	Cllr Alaric Smith Executive Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report author	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Summary/Purpose	To provide Members with an update on the findings of the external audit of the 2022/23 financial statements.
Annexes	Annex A – The Audit Findings Report (ISA260) for West Oxfordshire District Council – Year Ended 31st March 2023.
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the contents of the report and appendix.
Corporate priorities	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	NO

1. BACKGROUND

- 1.1** Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (“the Code”) external auditors are required to report whether, in their opinion:
- the Council’s financial statements give a true and fair view of the financial position of the Council and its 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 Local Audit and Accountability Act 2014.
- 1.2** The auditors are also required to report whether other information published together with the audited financial statements is materially inconsistent with the financial statements or their knowledge obtained during the audit or otherwise appears to be materially misstated.

2. MAIN POINTS

- 2.1** The auditors have completed approximately 90% of their work as at 11th March 2024.
- 2.2** Their work to date has not identified any material errors or adjustments to the financial statements.
- 2.3** The appendix to this report contains the Draft Audit Findings Report (ISA260) for West Oxfordshire District Council – March 2024.
- 2.4** Katie V Whybray, from Grant Thornton, will be joining the meeting and presenting the report.

3. ALTERNATIVE OPTIONS

- 3.1** None.

4. CONCLUSIONS

- 4.1** The Audit and Governance Committee are requested to note the report.

5. FINANCIAL IMPLICATIONS

- 5.1** None.

6. LEGAL IMPLICATIONS

- 6.1** None.

7. RISK ASSESSMENT

- 7.1** None.

8. EQUALITIES IMPACT

- 8.1** None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

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The Audit Findings Report (ISA260) for West Oxfordshire Council

Year ended 31 March 2023

11 March 2024





Your key Grant Thornton team members are:

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Key Audit Partner

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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 and agreed with management and will be presented to the Audit & Governance Committee on 21 March 2024.

Peter Barber
For Grant Thornton UK LLP
11 March 2024

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.

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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 2023 for the attention of 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 it’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), Narrative Report) is 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 December 2023 and as at 11 March 2024 our audit is approximately 90% complete. Our findings to date are summarised on pages 6 to 22.

The main substantive area of audit work not concluded is in respect of the IAS 19 Pension Fund net liability. We have not yet received a response from the auditor of the Oxfordshire Pension Fund to enable us to conclude our work in this area. The Pension Fund auditor has indicated that this will be provided by the end of March 2024.

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 D. We have also raised recommendations for management as a result of our audit work in Appendix B. Our follow up of recommendations from the prior year’s audit are detailed in Appendix C.

We commenced the 2022/23 post-statements audit late due to delays in the prior year. The audit this year has been supported by good quality working papers and more timely responses to queries.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion [Appendix G] or material changes to the financial statements.

Subject to completing a small number of minor audit procedures as set out on page 6 including receipt of IAS 19 Pension Fund liability letter of assurance from the Oxfordshire Pension Fund auditor, we anticipate issuing our audit opinion in April 2024.

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 financial statements audit report opinion will be unmodified. Our work on the Council’s value for money (VFM) arrangements is complete and will be presented to the same March meeting of the Audit & Governance Committee. We have been able to satisfy ourselves that the Council has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

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 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 completed our VFM work, which is summarised on page 24, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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 have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during the course of our audit. This is our final year of auditing the Council and we would like to place on record our appreciation of this cooperation throughout.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 1% (5 of 467) of local government bodies had received audit opinions in time to publish their 2022/23 accounts by the deadline of 30 September 2023. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions.

Over the course of the last year, Grant Thornton has been working constructively with DLUHC, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/about-time/)

We would like to thank everyone at the Council for their support in working with us to ensuring the audit has been completed in a timely and efficient manner.

National context – level of borrowing

All Councils are operating in an increasingly challenging national context. With inflationary pressures placing increasing demands on Council budgets, there are concerns as Councils look to alternative ways to generate income. We have seen an increasing number of councils look to ways of utilising investment property portfolios as sources of recurrent income. Whilst there have been some successful ventures and some prudently funded by councils' existing resources, we have also seen some councils take excessive risks by borrowing sums well in excess of their revenue budgets to finance these investment schemes.

The impact of these huge debts on Councils, the risk of potential bad debt write offs and the implications of the poor governance behind some of these decisions are all issues which now have to be considered by auditors across local authority audits.

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 will be discussed with management and the Audit & Governance Committee.

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
- There have been no changes to our proposed approach set out in our audit plan.

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 timely receipt of the outstanding IAS 19 Pension Fund net liability letter of assurance from the Oxfordshire Pension Fund auditor. Other outstanding items include:

- finalising our testing of journals
- finalising our review of land and buildings and investment properties
- receipt of the IAS19 Net Pension Fund liabilities letter of assurance from the auditors of Oxfordshire Pension Fund and completion of our testing on the liability
- receipt of third party confirmation for 2 investments and one loan
- NNDR reliefs testing
- testing of housing benefit expenditure and debtors
- receipt of management representation letter
- review of the final set of financial statements

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.

Materiality levels remain the same as reported in our audit plan.

Council Amount (£) Qualitative factors considered		
Materiality for the financial statements	1,070,000	We considered materiality from the perspective of the users of the financial statements. The Council prepares an expenditure-based budget for the financial year and monitors spend against this, Therefore gross expenditure was deemed as the most appropriate benchmark. This benchmark was the same as used in the prior year. We considered that 1.9% was an appropriate rate to apply to this benchmark, reflecting on the size and complexity of the Council.
Performance materiality	800,000	The performance materiality percentage is reduced to reflect the number of misstatements identified in the prior year accounts.
Trivial matters	50,000	Calculated as a percentage of headline materiality and in accordance with auditing standards



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>Management override of controls</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 on this risk area we:</p> <ul style="list-style-type: none">• evaluated the design effectiveness of management controls over journals;• analysed the journals listing and determine the criteria for selecting high risk unusual journals;• tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;• gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our audit work to date , 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>Our work is complete except for</p> <ul style="list-style-type: none">• Review of evidence provided by the Council for year end journals relating to the collection fund.

2. Financial Statements: Significant risks

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Risks identified in our Audit Plan	Commentary
<p>Improper revenue recognition</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>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:</p> <ul style="list-style-type: none">• 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. <p>We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.</p>
<p>The expenditure cycle includes fraudulent transactions (rebutted)</p> <p>Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom (PN10) states:</p> <p>"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</p>	<p>In our Audit Plan we set out that having considered the risk factors, we have rebutted this presumed risk for West Oxfordshire District Council because:</p> <ul style="list-style-type: none">• 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. <p>We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings

Revaluation of property, plant and equipment should be performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. The Council revalues its land and buildings on a rolling basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements 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 therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, requiring special audit consideration.

We have

- evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluate the competence, capabilities and objectivity of the valuation experts;
- written to the valuers to confirm the basis on which the valuation was carried out;

Our work is nearing completion except

- Finalising our work challenging the information and assumptions used by the valuers to assess completeness and consistency with our understanding, the Council's valuer's report and the assumptions that underpin the valuation for a sample of assets.

Our work completed to date has not identified any significant issues.

Valuation of Investment property

The Council revalues its investment properties annually. 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 therefore identified valuation of investment properties, 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.

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;
- evaluate the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out;

Our work is nearing completion except

- Finalising out work challenging the information and assumptions used by the external valuer to assess completeness and consistency with our understanding, the Council's valuer's report and the assumptions that underpin the valuation for a sample of assets.

Our work completed to date has not identified any significant issues.

2. Financial Statements: Significant risks

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Risks identified in our Audit Plan	Commentary
<p>Valuation of the pension fund net liability</p> <p>The Council'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.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have</p> <ul style="list-style-type: none">• 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; <p>Our work in this area is still ongoing and we are currently working through</p> <ul style="list-style-type: none">• undertaking 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 yet to receive 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. <p>Our work completed to date has not identified any significant issues.</p>

2. Financial Statements: Key judgements and estimates

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

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
Land and Building valuations – £72.769m	<p>Other land and buildings comprises £72.769m 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 valuers it properties as at 31/03/22 on a five yearly cyclical basis. For 2022/23, the internal valuer was used to value toilets and an external valuer was instructed to complete the valuation of all the other assets which were due to be revalued this year.</p> <p>The total year end valuation of land and buildings was £72.769m, a net increase of £9.4m from 2021/22.</p>	Our work in this area is currently in progress.	TBC

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 - £51.305m	<p>The Investment properties comprises £51.305m of assets, which are required to be valued at fair value.</p> <p>The Council instructed an External Valuer to complete the valuation of all investment properties as at 31 March 2023. In line with the CIPFA Code, all investment properties were revalued during 2022/23.</p> <p>The total year end valuation of investment properties was £51.305m, this is a net decrease of £3.9m from 2021/22 (£55.207m).</p>	<p>We have reviewed management's processes and no issues were identified. We have considered:</p> <ul style="list-style-type: none"> • The completeness and accuracy of the underlying data used to determine the estimate. • The reasonableness of the overall decrease in the estimate. • The adequacy of the disclosure of the estimate in the financial statements. <p>We are currently finalising our work in this area, no significant issues have been identified to date.</p>	TBC

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

Net pension liability – £1.789m

The Council's net pension liability at 31 March 2022 is £1.789m (PY £24.154m) comprising the 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.

The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

- we identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. No issues were identified from our review of the controls in place.
- we also evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuations and gained an understanding of the basis on which the valuations were carried out. This included undertaking procedures to confirm the reasonableness of the actuarial assumptions made:

Assumption	Actuary Value	PwC range	Assessment
Discount rate	4.75%	4.5%-4.8%	●
Pension increase rate	3%	2.85-3%	●
Salary growth	3%	TBC	TBC
Life expectancy – Males currently aged 45/65	23.2/21.9	Varies by employer	●
Life expectancy – Females currently aged 45/65	26.1/24.6	Varies by employer	●


- we have gained assurance over the completeness and accuracy of the underlying information used to determine the estimate
- we have reviewed the adequacy of disclosure of the estimate in the financial statements.
- Our work is still in progress

TBC





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
Provisions for NNDR appeals - £1.638 million	The Council are responsible for repaying a proportion of successful rateable value appeals. Management calculates the level of provision required. This calculation is based upon the latest information about outstanding rates appeals provided by the Valuation Office Agency (VAO) and previous success rates. The provision has decreased by £0.88m in 2021/22	<ul style="list-style-type: none"> No issues were identified with the appropriateness of the underlying information used to determine the estimate There has been no change to the method used to determine the provision The method is in line with industry practise adjusted to reflect the specific circumstances of the Council The disclosure of the estimate in the financial statements is adequate management has increased the amount set aside against this, however we note that the increase in the provision is not reflective of the amount of provision used, which is generally lower than the increase. This indicates that the Council is taking a cautious approach to the recognition of provisions. we are satisfied that the current levels of provisions for NNDR appeals are reasonable. 	 Grey

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
Minimum Revenue Provision - £0.420m	<p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt known as its Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>The year end MRP charge was £420k, a net increase of £76k from 2021/22.</p> <p>The MRP policy was adopted as part of the Capital Strategy by Full Council on 3rd February 2022 and the policy did not change during the 22/23 financial year.</p> <p>The Council uses the Equal Instalment method in general however used the Annuity Method where this most closely matches corresponding capital receipts.</p>	<ul style="list-style-type: none"> Our review of the MRP calculations confirmed the Council has calculated MRP line with the statutory guidance and is in line with the Council's MRP policy We challenged the Council where 50 years had been used as the basis of the calculation of the MRP and obtained sufficient evidence from the Council to support this. Note the Council did not charge MRP on the purchase of the Marriot Shopping Centre due to the MRP policy stating MRP commences in the financial year following that in which the expenditure is incurred. This is in line with the statutory guidance. <p>Government consulted (February 2022) on changes to the regulations that underpin MRP, to clarify that capital receipts may not be used in place of a prudent MRP and that MRP should be applied to all unfinanced capital expenditure and that certain assets should not be omitted. The consultation highlighted that the intention is not to change policy, but to clearly set out in legislation, the practices that authorities should already be following. A subsequent survey indicated amended proposals to provide additional flexibilities for certain capital loans. Government has not yet issued a full response to the consultation</p>	<p>●</p> <p>Light Purple</p>

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: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Unit 4- Business World Agresso	ITGC assessment (design, implementation and operating effectiveness)					Management override of controls (journals)

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

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 & Governance 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.
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 has been requested from the Council.

2. Financial Statements: Other communication requirements



Issue	Commentary
Confirmation requests from third parties	<p>We requested from management permission to send confirmation requests to the institutions you bank with and have loans with.</p> <p>At this stage we have received all the confirmations except three which we are currently chasing.</p>
Accounting practices	<p>We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures.</p>
Audit evidence and explanations/ significant difficulties	<p>We did not identify any significant difficulties during the audit.</p>

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"> 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 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. <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"> the nature of the Council and the environment in which it operates the Council's financial reporting framework the Council's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <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"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to Appendix G.</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"> • 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, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. <p>We have nothing to report on these matters</p>



2. Financial Statements:

Other responsibilities under the Code

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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>For the Council, detailed work is not required as the Council does not exceed the threshold set by the NAO</p>
Certification of the closure of the audit	<p>We intend to certify the closure of the 2022/23 audit of West Oxfordshire District Council in the audit report, as detailed in Appendix G.</p>

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2022/23

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



3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

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. The risks we identified are detailed in the table below, along with our overall conclusions. We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Criteria	2022/23 Risk assessment	2022/23 Auditor judgement on arrangements
Financial sustainability	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but six improvement recommendation made to support the Council in improving arrangements for Financial sustainability.
Governance	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but two improvement recommendation made to support the Council in improving governance arrangements.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but three improvement recommendation made to support the Council in improving arrangements for securing economy, efficiency and effectiveness.

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

5. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

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.

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 F.

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 [Grant Thornton International Transparency report 2023](#).

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 March 2024.

5. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Company that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Group or investments in the Group held by individuals
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff [that would exceed the threshold set in the Ethical Standard]

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person [and network firms] have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation
- H. Audit opinion
- I. Audit letter in respect of delayed VFM work

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), 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.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified 2 recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with. 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.

Assessment	Issue and risk	Recommendations
●	The Council does not have a formal agreement with UBICO extending the Environmental Services Contract. The previous contract was to provide services to 31 March 2021 with an option to extend by up to five years.	<p>We recommend the Council and UBICO have a formal agreement disclosing the agreed length of the extension.</p> <p>Management response</p> <p>The Auditors were provided with a copy of the report taken on this contract to Cabinet on 17th February 2021. The subject of that report was “Extension of Environmental Services Contract with Ubico” and the recommendation was an extension to 31st March 2024. The recommendation was approved by the Council on 24th February</p>
●	We identified two members where their registers of interest had not been updated on a timely manner.	<p>We recommend the Council consider their monitoring process for responses to ensure timely responses are being provided.</p> <p>Management response</p> <p>Members will be reminded of the timelines and the monitoring process will be reviewed.</p>

Controls

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

C. Follow up of prior year recommendations

We identified the following issues in the audit of West Oxfordshire District Council 2021/22 financial statements, which resulted in 5 recommendations being reported in our 2021/22 Audit Findings report.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	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.	The 22/23 audit has been supported by an additional Finance Manager from the Council and this additional capacity has resulted in a much smoother and timely audit process.
✓	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.	The same issue has been identified in 22/23. Therefore we continue to recommend that the documentation of journal reviews are completed in full as these are important evidence trails to support the journals.
✓	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.	The same issue has been identified in 22/23. Therefore we continue to recommend that there should be no manual journals with blank descriptions posted into Agresso.
✓	We have noted that an officer included in the Council's journal user list was no longer employed at the Council.	This issue has been resolved – no further issues identified in 22/23.

Assessment

- ✓ Action completed
- ✗ Not yet addressed

D. 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 misstatements

At this stage, we have not identified any adjusted misstatement to the Council financial statements.

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/issue/Omission	Auditor recommendations	Adjusted?
A number of amendments were made to the financial statements to enhance the clarity of the accounts to the reader and to adjust for non-material disclosure errors within the notes to the accounts.	These will be reflected in the final revised accounts.	✓
A non-adjusting post balance sheet event has been added into the financial statements to reflect the decision to bring the services provided by Publica back in house.	These will be reflected in the final revised accounts.	✓

D. Audit Adjustments (continued)

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Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2022/23 audit which have not been made within the final set of financial statements. This has not been amended as it is not a material error and only impacts on categorisation within the balance sheet. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
The Council has not split out the short term element (amount due within 1 year) of it's long term debtors	Nil	Dr Current Debtors £233 Cr Non-Current Debtors £233	Nil	Nil	Not material error
Overall impact	Nil	Nil	Nil	Nil	Not material error

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2021/22 financial statements

E. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Final 2021/22 fee	Proposed 2022/23 fee	Final 2022/23 fee
Scale fee published by PSAA 2022/23		£43,028	£43,028
Additional work on Value for Money (VfM) under new NAO Code		£9,000	£9,000
Increased audit requirements of revised ISAs 540 / 240 / 700		£2,100	£2,100
Enhanced audit procedures on journals testing (not included in the Scale Fee)		£3,000	£3,000
Additional procedures to address other local risk factors		£1,500	£1,500
Enhanced audit procedures for Payroll – Change of circumstances		£500	£500
Enhanced audit procedures for Collection Fund- reliefs testing		£750	£750
Increased audit requirements of revised ISAs 315		£3,000	£3,000
Total audit fees (excluding VAT)	£69,628	£62,878	£62,878

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.


Area of change	Impact of changes
Risk assessment	<p>The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of:</p> <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	<p>Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.</p>
Professional scepticism	<p>The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	<p>The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor.</p> <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	<p>The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	<p>The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.</p>

G. Audit opinion

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

To Be Added



 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	INTERNAL AUDIT PROGRESS REPORT
Wards affected	None
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Chief Finance Officer Email: Madhu.Richards@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present a summary of the audit work concluded since the last meeting of this Committee.
Annexes	Annex A – Report of Internal Audit Activity 2023/24 Annex B – Agreed Actions
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the report
Corporate priorities	Internal Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO

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. 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 (Annex A) 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.

And, our plan remains flexible to respond to requests for audits or ad hoc reviews.

We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned during 2023/24 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 None.

(END)

West Oxfordshire District Council

Report of Internal Audit Activity

March 2024

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

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

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.

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.



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

Definitions of Risk

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

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Payroll 2022/23	Final Report	High Substantial	0				Reported in September
Operational	Climate Change (Operational)	Final Position Statement	N/A	0				Reported in September
Governance	Freedom of Information	Final Report	Medium Reasonable	4	-	2	2	Reported in September
Operational	Taxi Licensing Safeguarding	Final Position Statement	N/A	0	-	-	-	Report Included
Operational	Estates Services	Final Position Statement	N/A	0	-	-	-	Report Included
Operational	Property Services	Final Report	Medium Limited	4	1	2	1	Report Included
Key Financial Control	Bank Reconciliation	Final Report	Low Substantial	2	-	-	2	Report Included
ICT	ICT Business Continuity Management	Final Report	Low Substantial	2	0	1	1	Report Included
Governance	Transparency Data	Final Report	High Substantial	0	-	-	-	Report Included
Key Financial Control	Revs and Bens - Council Tax and NNDR	Final Report	High Reasonable	2	-	-	2	Report Included
Key Financial Control	Revs and Bens - Housing Benefit and Council Tax Support	Final Report	High Substantial	0	-	-	-	Report Included
Core Financial	Contractors – Use of Waivers	Final Report	Low Substantial	2	-	-	2	Report Included
Advisory	Revenues and Benefits Service Review	Draft Position Statement						
Governance	Data Breaches	Draft Report						
Governance	Risk Management	Draft Report						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Core Financial	Accounts Payable	In Progress						
Operational	S106s	In Progress						
Operational	Appointment of Contractors	In Progress						
Operational	Planning Validation	In Progress						
Operational	Human Resources	Audit Ready						
Core Financial	Payroll	Audit Deferred to 2024/25						Audit deferred due to tasks to be completed by Payroll team to support Publica Review / Transition
Operational	Accounts Payable – Qtly Review	In Progress						
Grant Certification	Changing Places Fund	Complete						
Grant Certification	Carbon Data 2022/23	In Progress						
Grant Certification	DEFRA – Weekly Food Waste Collections	Complete						
Support	Business Grant Funding – Aged Debt	On-Going						Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Advisory	Environmental Services Improvement Programme	On-Going						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Health and Safety Working Group	On-Going						
Advisory	Risk Management Group	On-Going						
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							

Taxi Licensing – Final Position Statement – November 2023

Introduction / Background

An assurance audit for Taxi Licensing Safeguarding was originally included in the agreed Audit Plan. Amendments to statutory guidance regarding safeguarding practices were made in 2020; the objective of this audit was to assess the effectiveness of current processes and to ensure compliance with these safeguarding obligations.

As the audit commenced it became evident that processes and procedures are being reviewed in this service area. The aim of this is to strengthen existing controls and to align processes across the three partner Councils. These changes have not progressed as quickly as the service would have liked due to long term staff illness and resource constraints.

We are issuing this Position Statement having reviewed current processes, undertaken limited testing, reviewed information available on the Council's website and held discussions with the Team Leader. The suggestions / areas for consideration below are designed to aid the service as it progresses with its internal review.

Findings

1. Policy

In September 2021, the Hackney Carriage & Private Hire Licensing Policy, which includes the changes to statutory guidance, was approved by the Miscellaneous Licensing Sub-Committee. The Council works closely with the Oxfordshire Joint Operating Framework, however, this is not specifically mentioned in the Policy or noted on the Council's website.

Observation: *Although, not high risk, if the Council were to acknowledge working within a countywide approach, it may deter those drivers who have been refused a licence from a neighbouring authority from applying again at another authority. This could provide potential efficiencies in terms of application processing times.*

Management Response: The Policy and the Council's website will be updated. We have been advised that the Policy does not need to go back through Committee as only adding a 'communication' type narrative and nothing that changes the Policy.

2. Application Processing and Records Management

Officers are required to complete a series of checks and mark as 'satisfactory' before the Uniform system will produce a new or renewal licence. However, there were many instances where evidence was not maintained within IDOX (document management system). For example, missing documentation included medical reports, evidence of safeguarding training, Tax code and NR3S Register checks (National Register of Taxi Licence Refusals, Revocations and Suspensions), proof of ID, etc. Insufficient audit trails could potentially result in the Council not being able to defend themselves if challenged.

Suggestion: *Officers should be reminded to upload all evidence to IDOX to support licences issued. Introducing management checks will help to mitigate the risk of insufficient records maintenance.*

Management Response: Officers have been advised of the importance of ensuring all documents are uploaded. Management/monitoring check of 10% of cases will be introduced to provide additional assurance.

3. Safeguarding Training

Training is provided by Oxfordshire County Council. Drivers are required to pass a 45 minute compulsory multi choice test and must read and understand the Safeguard & Disability Training manual which assesses their understanding of the course content.

We noted that some drivers are not up to date with safeguarding training; refresher training must be completed every 3 years as detailed in the Policy. The Licensing Team Leader (LTL) advised that a phased approach period to ensure that all drivers have undertaken this training was agreed. The officer explained that a process had not been put

in place during the pandemic. However, a project is currently underway to ensure that all drivers have undertaken refresher training by 30/06/24 or risk having their licence suspended. This is also stated on the Council's websites.

Observation: *Consider if the Uniform system can be configured to produce reports which will identify safeguarding training renewal data.*

Management Response: Safeguarding training has now been put in place.

4. Complaints Monitoring

The LTL advised that Customer Service officers log customer contact/communications in the Uniform system as a 'Service Request' and will often use a 'Complaint' prefix when the call is not really a complaint. The officer was in the process of developing new guidance for Customer Service staff to ensure complaints are accurately determined. The LTL allocates service requests to the team daily, and any communications that are complaints are processed in accordance with the Hackney Carriage & Private Hire Licensing Policy. Initial investigations are undertaken by the service area and reviewed by the LTL/Business Manager. Reports/appeals are presented to the Licensing Committee depending on circumstances as detailed in the Policy.

No separate records are maintained, and service requests must be manually linked to the Licensing module, which means that potentially repeat offenders/incidents or trends will not be identified. The LTL explained that she undertakes ad hoc monitoring, but evidence is not maintained. The officer stated the service is firefighting and with previous long term sickness within the team, it is difficult to be as efficient as hoped.

Service Request data from April 2022 – August 2023 identified 21 cases. 6 cases reviewed found 3 instances which resulted in a warning being issued to the driver. All requests were actioned and closed within 30 days.

Suggestion: *The difference between a complaint and a service request should be clearly defined (to include examples) and cascaded to all relevant officers. Periodic monitoring of service request data should be implemented to identify trends and/or repeat offenders, which will help the service be more proactive than a reactive service.*

Management Response: The LTL will work with Customer Services to ensure identified complaints and service requests are separated more clearly.

5. Income Reconciliation

The Council's Financial Rules I5.1, states that 'Budget holders are responsible for reconciling income systems with the council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy'. The LTL confirmed she does not complete this reconciliation, but she does forward reports to Finance at year end. The LTL advised this is something she was looking to implement.

Suggestion: *The LTL should liaise with Finance and develop a process to undertake monthly reconciliations as per the Financial Rules.*

Management Response: The LTL will develop a process to undertake monthly reconciliation which will be of use to both the service area and Finance.

6. Data Analysis

We discussed undertaking data analysis to determine if there were any anomalies or trends that would benefit from further review. But the LTL explained that the Uniform system needs 'housekeeping' and therefore there was no value at this current time. The officer explained Uniform is reviewed as and when time allows, and that currently focus was on ensuring business as usual is delivered.

Observation: *Data analysis can be a useful tool but is only effective if the integrity of the data can be assured. It would benefit the service if as part of the internal review, some time was set aside to ensure 'housekeeping' is undertaken and to consider how best to use the data held within the Uniform system.*

Management Response: Work will be undertaken with the team and support sought from the Performance team / Data & Performance Analyst.

Conclusion

The 2020 amendments to statutory guidance specifically relating to driver safeguarding issues, have been implemented at WODC.

Robust procedures are being implemented as part of the internal review which seeks to align processes across the three partner Councils. For this reason, we have issued this Position Statement to provide a ‘critical friend’ point of view.

We hope to revisit the area and provide assurances once the service has completed its review.

Estates Compliance – Final Position Statement – February 2024

Introduction / Background

The objective of this audit was to review the effectiveness of processes undertaken by the Estates Management team in relation to the management of the Council's assets and to assess compliance with statutory and legislative regulations. The review was requested by the Business Manager Property and Estates and was undertaken in conjunction with a Property Services review of Health and Safety arrangements. The Estates Management review included:

- Compliance with Legislation and Professional Body guidance.
- Landlord responsibilities
- Landlord Inspections, Lease and Rent Reviews
- Maintenance and Complaints
- Insurance and Empty Properties
- Documentation Retention

This audit was originally planned to be an assurance piece of work utilising walkthrough, discussion with staff, substantive testing, and evidence review. However, no up to date information could be provided for the audit and therefore we have drafted this position statement with our findings.

Key Findings

West Oxfordshire District Council (WODC) has an estate (property) value of £72,768,978 which includes £51,305,000 of investment properties. In addition to this, WODC hold a community asset value of £993,713 and surplus assets of £3,361,762.

Compliance and Legislative requirements

We requested specific compliance and legislative requirements that the Estates Management Team should adhere to; we were directed to leases, statutes, planning and building control services. We were provided with a RICS Practice Information document on strategic public sector property asset management and were informed that Estates Management need to be compliant with this document. We were also advised that there are no current performance indicators ensuring these compliance requirements are identified and complied with.

Suggestion: Service area to undertake a self-assessment of the RICS guidance to identify gaps in compliance

Management Response: *The Strategic public sector property asset management RICS practice information, 3rd edition, September 2021 relates to the processes and strategic framework for the management of Assets. The scope and funding requirements for an Asset Management Strategy and Plans are currently being prepared. Compliance with this guidance will be ensured as part of the new Asset Management Strategy and Asset Management Plans. Following the adoption of the new Strategy there may also be a need to make changes to the Constitution enabling delegated decisions to facilitate efficient decision making on the management of assets. These new strategic documents and processes will align with the RICS guidance.*

Suggestion: Introduce performance indicators for council assets e.g. reduce total energy consumption in operational properties (to be defined in AMP).

Management Response: *Agreed. Advice will be sought from the consultants preparing the Asset Management Strategy on the best performance indicators to provide assurance on Council asset performance.*

Policy, Process and Training

There is no overarching policy (Asset Management Plan / Strategy); an action has been agreed in the Property Audit in respect of the importance of an Asset Management Plan. Outdated policies for Acquisitions and Disposals and an Asset Management plan are held by the Council but have neither been updated or altered for many years. We were advised that there is no 'service' induction process for new starters, the only requirement is that they hold an appropriate degree and are RICS members. The Asset Manager offers support to the team but a more formal service induction and training, relevant to Publica and its partner Councils, will enhance the service provided. The Property Management and Estates Management teams, work closely with each other, and it has been identified that roles and responsibilities are not sufficiently defined. There is a risk that work is duplicated, and the service being provided is not as effective, or efficient, as it could be.

Suggestion: An Asset Management Plan (AMP) is a key document to support the management, and future workplans, for the Council's estate. Service area to support the Council on the drafting of an AMP (action included in property audit).

Management Response: *The benefits and costs of an Asset Management Strategy have been discussed with Executive informally and with Political Group Leaders. A Scope for an Asset Management Strategy has been drafted and shared with Senior Officers, once agreed costs will be procured and a report then prepared for Executive to enable the work to start in the Spring.*

Suggestion: Service area (Property and Estates) review Job Descriptions to ensure roles are sufficiently defined and an induction programme to be created to ensure new team members are aware of their responsibilities to Publica and the Partner Councils.

Management Response: *There is no formal induction process for the service because there are many different roles so we would not be able to have a one size fits all. The basic induction for Business World and other systems is done by the Resource Managers in person and online. Job related induction consists of either Asset Manager or one of the Estates officers being in the office with the new person every day for the first 2/3 weeks to go through different aspects of information systems and support on tasks. This includes governance and Publica/Council interactions which again is tailored based on the level and type of role. There is therefore no plan to introduce a generic induction programme as it would provide less support and training than the tailored support which is currently provided. Roles will need to be extensively reviewed as part of the Publica Review which has commenced, it is therefore suggested that the review of roles and responsibilities forms part of the service redesign work that will need to follow TUPE transfer to partner Councils.*

Annual Landlord Inspections.

A condition of every lease is that annual landlord inspections can be undertaken, along with regular lease reviews and rent reviews. We were advised that Annual Landlord Inspections have not been regularly undertaken since 2019 due to a lack of resource, and no evidence was available for inspections that were undertaken.

Suggestion: (to be included in the AMP) a schedule of property inspections is drafted to ensure all properties are inspected on a regular basis, enabling a more proactive approach to maintenance (when appropriate).

Management Response: *There is not a lease condition that Landlord inspections are carried out but it is good practice and something we would like to recommence on a portfolio wide basis. Landlord Inspections are currently carried when officers visit site and issues then brought forward. Issues reported by the tenants are acted upon. Carrying out annual inspections would require additional staff resources and the financial cost is likely to outweigh the benefits as the Council still has recourse to remedy defects when a tenancy ends through the Schedule of Dilapidations. Where existing resources allow, landlord inspections will be prioritised based on building and tenant factors.*

Lease and Rent reviews.

The rental income from 2022/23 for investment properties is £4,149,434 which is an increase of 2% based on the previous financial year. Evidence was not available to demonstrate that Lease and Rent reviews were being undertaken in a timely manner.

Suggestion: Lease and Rent reviews are undertaken on a regular basis ensuring the income due to the Council is appropriate.

Management Response: *Whilst 2% may seem like a low figure the economy has impacted on rental potential with most lease values stagnating or even reducing, The raw data stated does not consider the number or value of properties within the portfolio during the different periods. The Team has prioritised lease renewals but is now working through the backlog of rent reviews. The Council does not lose any income if rent reviews are completed after the review date as any increase in rent is backdated.*

The Team will start using the Uniform system to record and monitor all estate and property matters from 1st April, once the system has been set up and historic data has been uploaded (March 2024). Information will be uploaded to Uniform including flags for when rent / lease reviews are due to be undertaken. All reviews will be recorded on Uniform.

Maintenance and Complaints

We were informed that reactive maintenance is conducted when a complaint is received from a tenant, but progress is not actively monitored to ensure that the authority provides a satisfactory service. Proactive maintenance is only conducted when a tenant leaves the property, and the Estates Management team want to prepare it for the next tenants.

As maintenance is being undertaken on properties when a complaint is received, current issues could go unidentified and thereby unrectified resulting in accident, damage etc. If annual landlord inspections were undertaken issues would be identified, and rectified, at that point in time, rather than waiting for a complaint.

Suggestion: See note above about inspections.

Management Response: See comments above (inspections and lease and rent reviews), and below (records and documentation management). Most properties are let on Full Repairing and Insuring leases. This means the tenants are responsible for repairs. In situations where the Council retains responsibility for structural repairs, such as the leisure centres, structural defects such as failing roofs are not likely to be picked up during a landlord inspection. Defects of this nature would need to be identified by externally commissioned Condition Surveys. It is likely that the emerging Asset Management Strategy will recommend a phased rolling programme of condition surveys to enable a proactive approach to maintenance and asset decisions to include the likely forecast of repair and maintenance investment required.

Suggestion: Implement a process to ensure reactive maintenance is actively monitored.

Management Response: Members of the Property team liaise with contractors and tenants and do inspect completed work. This is done before payment is issued. So any sub-standard work would be picked up and rectified.

Insurance Terms

Buildings Insurance is in place for the Authority's estate and properties. The Insurance Team manages these policies; they rely on communication from the Estates Management team to ensure compliance with the specific terms around unoccupied estate. The insurance terms require the following:

1. Unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks.
2. All services to be disconnected other than limited services required for security guards, fire and burglar alarms unless otherwise agreed by the Insurance Company in writing.
3. All letter boxes shall be sealed to prevent insertion of material.
4. Perimeter fences, walls and gates shall be kept complete and maintained.
5. Such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage.
6. Vegetation surrounding such unoccupied buildings shall be kept down.
7. The Business Premises shall be inspected thoroughly internally and externally at least once every seven days by the Named Insured, or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay.

Discussions identified that these terms are not actively managed, there is no formal process in place to identify empty Council owned properties, conduct the inspections and inform the Insurance Team, furthermore, no records are maintained. We were advised that the inspections have not been conducted due to a lack of resource as noted above. The risk of not complying with these terms is that the insurance policy is cancelled or invalidated, leaving the Council open to reputational damage and legal penalties.

Suggestion: Implement a process to ensure all empty properties are identified and that inspections are carried out, and recorded, as per the terms of the insurance policies.

Management Response: Triggers for this process will be built into the Uniform system, to ensure appropriate processes are followed. Action is taken to secure and inspect vacant properties, this is often done via an agent acting on the Council's behalf.

Records and Documentation Management

Property data held on Uniform (database) is not maintained, or actively managed. Interrogation of Uniform found that a large amount of information is outdated, dating back to 2021 and prior years.

Suggestion: A review is undertaken of all Council Property to ensure data /properties are accurately replicated in Uniform and are up to date.

Management Response: Property records are not currently held in Uniform but are held electronically. The current system is not particularly user friendly and does not enable rapid reports on areas like compliance to provide management assurance. A plan is now in place to upload all historic property and estates data to the Uniform system and to input all new data onto the system from 1st April. A spreadsheet has been created in the interim identifying compliance requirements and dates for inspections all properties.

Suggestion: Ensure that all data gathered from inspection, rent and lease reviews, proactive and reactive maintenance, complaints etc is entered onto Uniform to ensure a full record of the Council's Estate is available.

Management Response: See comment above.

Conclusion

Due to the lack of any supporting evidence available to us, we have acted as a 'critical' friend and made suggestions to our findings.

An Asset Management Plan is a key document to the management of a Council's Asset Portfolio and could include:

- List of all Property Assets
- Acquisitions and Disposals
- Action Plans
- Property Review and Conditions
- Planned / Proactive Maintenance
- Responsive / Reactive Maintenance
- Climate Change Initiatives
- Performance Indicators
- Data Management

Having an AMP ensures the service area has a 'policy' document that can be followed / worked to, allowing the service area to allocate resources as appropriate as works are planned in advance. This will also provide a more proactive, efficient, and effective service to tenants and the Council.

Annual Landlord Inspections, Lease and Rent Reviews, Complaints and Maintenance

Consideration should be given (and included in AMP) to ensure a central register, and formal process, is adopted for the proactive management of estates. This would provide the Council with the opportunity to raise rents (where appropriate) to fair market value.


Operational Risk Register

A further consideration could be the introduction of an operational risk register. Although financial risk is reported during the year, there are other risks, in respect of Estates, that may leave the Council exposed to challenge e.g., injury in defective building.






Property Services Compliance – Final Report – December 2023

Audit Objective

To review and assess property related Health and Safety arrangements at the Council's properties, ensuring compliance with legislation.

Assurance Opinion	Number of Actions
 <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
	Priority 1
	Priority 2
	Priority 3
	Total
	1
	2
	1
	4

Risks Reviewed	Assessment
Failure to comply with relevant legislation and Council rules resulting in financial loss and reputational damage to the Council.	High

Key Findings
 <p>Asset Management Plan (AMP) – Officers have highlighted that they do not have an AMP to guide their focus on Council requirements. The Council's financial rules require an AMP to be maintained. The Council should commission an AMP and once in place Officers should align their work to this.</p>
 <p>Risk Assessments (RAs) – Site-specific RAs were not available for the properties selected for testing. Officers advised that RA management is often the responsibility of 3rd parties (e.g., commercial tenant). To support the Council in fulfilling its compliance and H&S responsibilities, it's vital all Council owned properties have a site-specific RA. Details on arrangements for any 3rd party managed RAs should be recorded with centrally held information (e.g. on a property management system).</p>
 <p>Standard Information – A process should be developed to ensure all essential compliance and H&S information is gathered for all Council owned properties. The process should be implemented for new properties and regular site inspections. Officers have advised that a property management system could be utilised to capture the required information.</p>
 <p>Central Property Database Accuracy – Spreadsheets and software contain information on Council owned properties which can be accessed centrally. Testing demonstrated that information expected to be held centrally was not available or inaccurate.</p>
 <p>Property Officers have a system for managing maintenance requests and compliance contracts. There is a genuine effort from the Property team to improve compliance and H&S across the Council's property portfolio. Fieldwork identified good examples of collaborative working with other service areas.</p>


Audit Scope
Work with Officers from the Property team to develop criteria for testing compliance and Health & Safety arrangements at Council owned properties.
Properties were selected for testing against the established compliance and H&S criteria.
Scope exclusions: Contractor/consultancy spend assessment – Officers advised that work on this is underway and would therefore be a duplication of efforts.
Professional body guidance – Officers advised that this guidance is not followed.
Benchmarking – Unable to identify an organisation similar to Publica for effective benchmarking.




Other Relevant Information
Testing has highlighted serious concerns with the Council's property compliance and H&S obligations. Issues including (but not limited to) legionella, asbestos and gas safety management were identified; this would be picked-up with regular reviews and accurate/complete central data. Officers are aware of property compliance and H&S issues but advised that significant time is spent on reacting to reported issues preventing them from proactively developing a strategic approach.

Bank Reconciliation – Final Report – September 2023

Audit Objective

To provide assurance that core financial processes are operated in accordance with agreed policy/procedure and with the Council/Clients Financial Rules.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	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	Priority	Number	A lack of effective management of finance systems and processes may result in potential fraud, loss of income and reputational damage. The Financial Statements may not be accurate which may result in potential fines and additional pressures on already stretched resources.	Low
		Priority 1	0		
		Priority 2	0		
		Priority 3	2		
		Total	2		

Key Findings		Audit Scope
	We identified historic, outstanding entries (mostly income) in the suspense account stretching back several years, many of which are likely to remain unresolved. A standard process to deal with suspense account entries in a timely, efficient manner will be agreed and the outstanding entries actioned.	<p>The following areas were reviewed:</p> <ul style="list-style-type: none"> Processing of income and payment data into ledger, feeder systems etc. Suspense accounts, monitoring, processes. Reconciliation of feeder systems (NDR, CT etc) to the general ledger. Frequency and accuracy of bank account reconciliations. Authorisation process for bank account reconciliations.
	A number of online council tax payments are submitted by customers quoting an incorrect reference number each month. This causes them to drop into suspense and require manual intervention to ensure they are applied to the correct customer account. To support Publica's drive for self-service and automation to increase efficiencies, these repeat transactions should be configured within the system so that they can be allocated correctly	
	We can confirm the monthly bank reconciliation is being completed in a timely manner, is appropriately authorised and is in accordance with the Financial Rules.	

Other Relevant Information

The audit was also undertaken at the other Publica partner authorities, it highlighted differences in working practices across each of the organisations. To increase operational resilience, management may wish to consider standardising working practices in all areas of the bank reconciliation process.

ICT Business Continuity / Disaster Recovery – Final Report – December 2023

Audit Objective

To provide assurance that ICT Business Continuity/Disaster Recovery arrangements are managed effectively.

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	1
Priority 3	1
Total	2

Risks Reviewed

Inadequate recovery plans / procedures result in the indefinite loss of key systems and data. This means Council operations would be adversely impacted potentially causing financial losses and reputational damage.

Assessment

Low

Key Findings



Disaster Recovery Test: The established criteria for a successful test was being able to fully recover and operate the Business World application (including all clients) in a secure cloud environment using back-ups. Preparation was crucial for ensuring the cloud recovered application did not interfere with the live application hosted on the Council servers. Any technical issues encountered were resolved by the ICT recovery team and the application was operational within the same working day. Test financial reports and HR transactions were processed in the recovered system and checked against the live system. The recovery process is documented and available to members of the ICT recovery team. Processes are in place to ensure recovery communications are managed for both the ICT team and non-ICT stakeholders.



ICT and Emergency Planning Formal Engagement and Alignment: Regular formal engagement with the Emergency Planning teams of each key client hosted on the Council networks is required to support identification of issues, set expectations and align documentation.



Documentation Updates: A review of business continuity and disaster recovery documentation was completed. Several required updates have been identified.

Audit Scope

The audit includes:

- Review of ICT BCP / DR Plans – including processes, communication, assessment of system recovery
- Walkthrough of the Recovery Process
- Communication of test scenarios – reporting of lessons learned and areas for improvement/inclusion in plans

Scope exclusions: Service area plans are not included in this ICT review as they are audited separately.

Additional Information

We collaborated with the ICT team on the planning and execution of the recovery test. This enabled discussion on the audit requirements and technical step-by-step processes which helped to develop our understanding.

Timescales for recovery depend on several factors including the amount of cloud processing power purchased for recovery. For this test, the amount of processing power purchased was limited to save costs but still enabled recovery. In a real disaster recovery scenario, the ICT recovery team will decide upon the optimum processing power required to purchase.

Impact assessments have been completed to support the prioritisation of system recovery. In a real event, the priority of system recovery will depend on several factors some of which are outside of ICT's control (e.g. depending on the time of the month, payroll functions may be more of a priority than revenues and benefits and vice versa).

Transparency Data – Final Report – November 2023

Audit Objective

To assess the effectiveness of the Council's Transparency procedure and provide assurance that the data published is in line with the Local Government Transparency Code 2015.

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	0
Total	0

Risks Reviewed

The Council is non-compliant with Information Management legislation under the Local Government Transparency Code

Assessment

Low

Key Findings



All data (as listed under Audit Scope) was published in accordance with the Transparency Code 2015, and easily accessible. Publication of the data reduces the risk of complaint to the Information Commissioners Office is sufficiently mitigated.

Audit Scope

The audit was a compliance review of the Local Government Transparency Code 2015. We reviewed the following information to ensure that it was published in accordance with the Transparency Code 2015:

- Expenditure over £500.
- Government procurement card transactions.
- Procurement information.
- Grants to Voluntary, Community and Social Enterprise Organisations.
- Organisation Chart.
- Senior Salaries.
- The Pay Multiple.
- Trade Union facility time.
- Local land assets.
- Social housing asset value.
- Parking accounts.
- Parking spaces.
- Fraud.
- The Constitution.

Summary

The Local Government Transparency Code sets out the minimum requirements for local authorities to publish open data on the public facing website and for this to be completed promptly. The Council have demonstrated a good level of compliance with the Transparency Code. The risk that the Council could receive complaints to the Information Commissioners Office (ICO) which could lead to further scrutiny and potential reputational damage is sufficiently mitigated.

Observations:

- Work is underway to ensure that Procurement Card Transaction Data is published regularly.
- Consideration could be given to creating an itemised schedule to enable robust monitoring and ensure the required information remains up to date.
- The Pay Multiple is a constantly changing figure, so although we have been unable to confirm the Pay Multiple as accurate this does not mean it is non-compliant. Work is underway to ensure this remains up to date on an annual basis, and it is published on the Public Facing Website in the Pay Policy Statement.

Revenues and Benefits Service – Final Report – December 2023

Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates, Housing Benefits, and Council Tax Support, and that opportunities for error, fraud or corruption are minimised.

Assurance Opinion – Council Tax and NDR



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

Number of Actions

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

Risks Reviewed

Incorrect Council Tax and Business Rates are collected due to errors, omissions, or fraud, resulting in financial loss and reputational damage.

Assessment

Low

Assurance Opinion – Housing Benefits



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	0
Total	0

Risks Reviewed

Housing benefit and/or council tax reductions awards are not paid or recovered correctly or in a timely manner, due to errors, omissions, or fraud, resulting in financial loss and reputational damage.

Assessment

Low

Key Findings



Council Tax and NDR: As part of the review underway to align services, training/procedure notes are due to be reviewed. Consideration should be given to the level of detail required in the notes, as well as defining the process for capturing/obtaining information, in order to ensure consistency.



Council Tax and NDR: The format of the new discount review forms requires review to ensure there is not a risk of digital exclusion.



Council Tax and NDR: Overall, our testing showed that discounts, reliefs, and exemptions are being appropriately applied across the board in Council Tax and NDR. Collection rates KPIs are in place and reported on regularly with a view to using this data with staff 121s. Process mapping is underway to review and align services.



Housing Benefits: Applications within Housing Benefits are managed properly and are well-controlled. Evidence is suitably reviewed and saved within the Open Revenue's system; this provides sufficient audit trail and mitigates the risk of a fraudulent claim. Communication with residents is issued in consistent and appropriate formats.

Audit Scope

We reviewed the following processes:

- CTax/NNDR – Collection, discounts, reliefs, and exemptions.
- HB & CTS – Application process, Evidence Verification.
- Postponed work from 2022-23.

Analysis was performed on the reports requested, in conjunction with walkthrough and sample testing to form an opinion on the effectiveness of the controls in operation.

Discussions were held, with evidence sought to support statements made.

Summary

Conclusion

It is clear that a significant amount of progress has been made to ensure that the Revenues and Benefits Service operates as efficiently as possible, and a substantial amount of work has been completed, or is underway, to help achieve this.

The assurance we have given on this audit is specific to the areas we have reviewed. Overall, the Revenues and Benefits service is performing well in the areas recorded within the scope, and proactive steps are being taken to ensure positive change occurs. We have reviewed the deferred work from last year's audit and there are no issues to report. We have agreed two actions to address the findings above.

The following observations and suggestions are made to enhance current processes.

Observations and Suggestions

- It is unclear whether some non-time sensitive Council Tax and NDR discounts and exemptions are reviewed in a timely and consistent manner. We have not looked further into the review process this year due to scope restrictions and timings. We propose that we will address this in more detail in next year's audit.
- There was some confusion surrounding the role of the Counter Fraud Enforcement Unit within the wider Revenues and Benefits service, but this was clarified during this audit. However, we suggest that Management review the process of handling family and friend's accounts, and consider whether they wish to implement any additional controls.
- The Housing Benefits team retain a good audit trail of all evidence and communication with residents within the Open Revenues system. But there is limited identifiable features on the attachments, which could lead to inefficiencies when reviewing the account. If the system allows, it is suggested that the audit trail could be altered to include identifiable features which would make navigating the account more efficient.

Contractors – Use of Waivers – Final Report – February 2024

Audit Objective

An audit review to assess if requests for waivers from procurement procedures are compliant with the Council's Financial rules, and procurement policies and procedures. It will also seek assurance that they are given proper oversight, documentation is retained and that they are authorised appropriately.

Executive Summary



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.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	2
Total	0

Organisational Risk Assessment

Low

Failure to comply with procurement policy leads to increased cost of contracts, reduced quality of contractors and an increased risk of procurement fraud.

Key Conclusions



To ensure the Waiver Register can be updated in a timely manner and to mitigate against any waivers being missed, the Contract Waiver Report Templates will be updated to state a copy of all approved waivers must be sent to Procurement.

Most of the Officers we spoke to had a good awareness of procurement rules, but said they would appreciate refresher training on the use of waivers. The Senior Procurement Business Partner advised training will be delivered on the new Procurement Strategy in 2024, and the use of waivers will be included.



Retained Officers attend the Procurement and Commissioning Group monthly to review the pipeline and forward plan and discuss any supply chain and framework updates.

During fieldwork approval evidence was supplied for all waivers in our sample, but 1 approval made via email did not name the waiver specifically. To ensure there is a full audit trail that links an Officers approval to the correct waiver, it would be useful if waivers are named in the email chain. This has been discussed with the service area who have agreed to take appropriate action.

Audit Scope

A review of the Waiver process was undertaken (November 2023) and controls were reviewed in the below areas;

- Processes for requesting and approving waivers.
- Staff awareness.
- Document retention.
- Process oversight.

Discussions were held with the Senior Procurement Business Partner, and a sample of Officers who had a waiver approved during the period reviewed (01/01/2023 – 08/11/2023).

A random sample were selected to ensure waivers followed the prescribed process. Waivers that are requested but not approved are not recorded.

Other Relevant Information

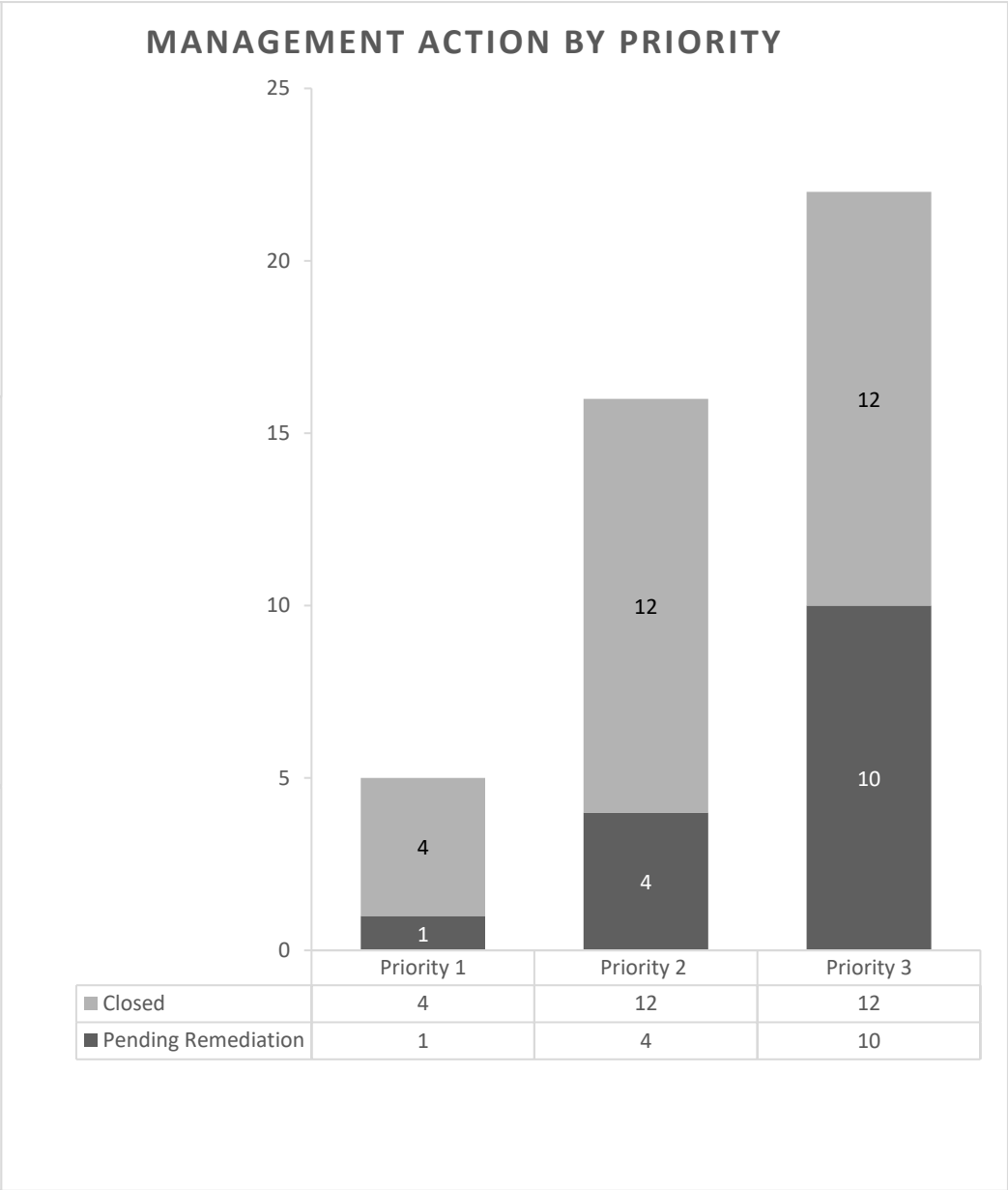
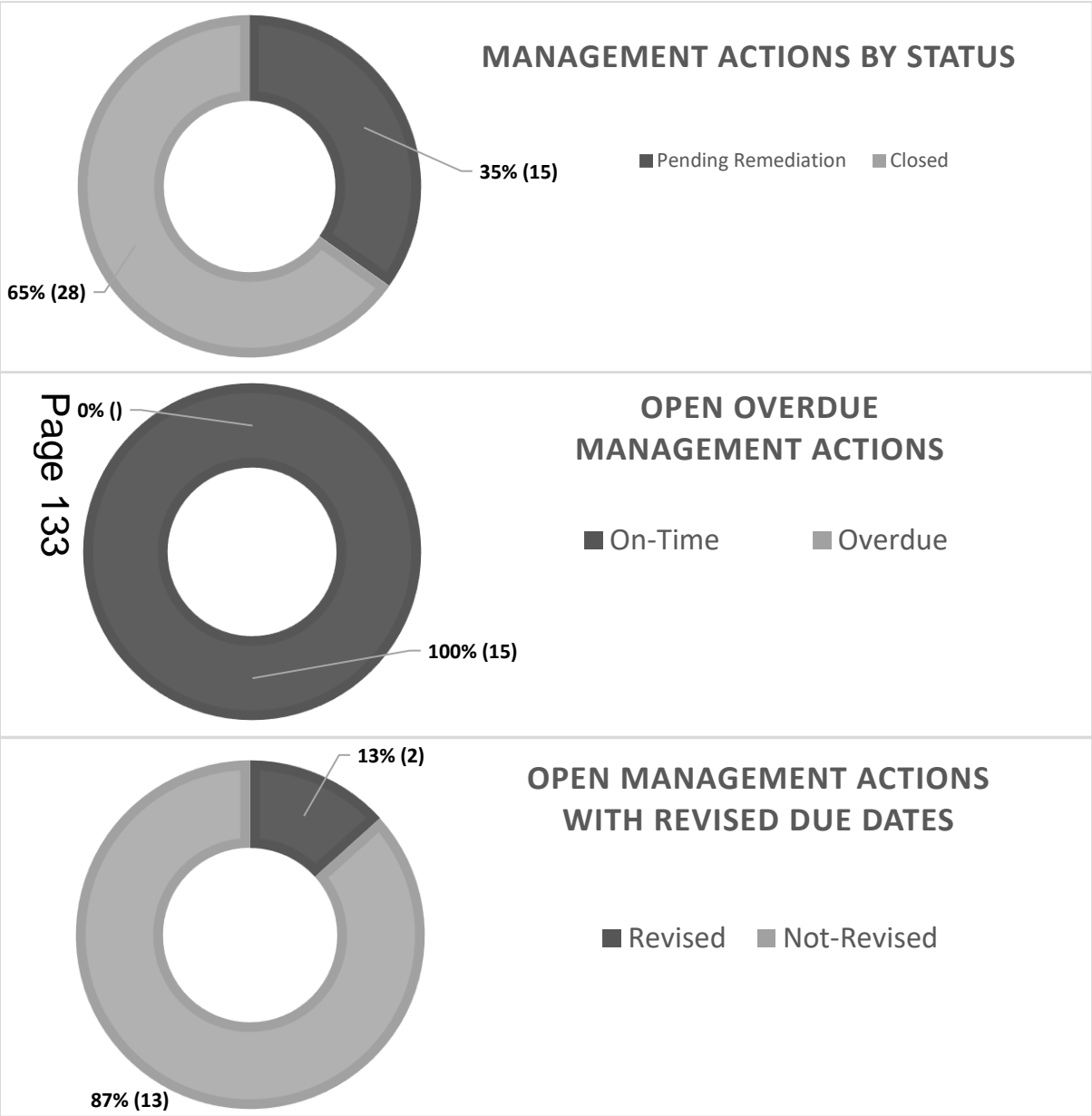
The total number of waivers approved at WODC during the test period reviewed were 3, with a total cost of £264.1K. The criterion for granting waivers is stated within the Councils Contract Rules, which are being complied with. We accept urgent works require waivers to be used, but making better use of the Procurement and Commissioning Group meetings should help to reduce the number of waivers being requested.

2 actions have been agreed with Publica to address the findings.


OPEN AGREED ACTIONS - 29TH FEBRUARY 2024											
AP ID	ID	Audit Title	Issue Title	Issue Status	Period	Priority Score	AP Status	Timescale	Revised Timescale	Revised Timescale 2	Follow-Up Assessment
834	769	WODC - Climate Change Strategy - September 2022	KPI Review and Update	Pending Remediation	2022/23	3	In Progress	30/09/2023	31/01/2024	30/09/2024	The Carbon Action plan is due to be approved by the Executive on 6th March 2024. KPIs have been developed and are included. The Executive currently receive a corporate strategy action tracker report detailing the status of actions against their plan priorities (including climate). The strategy is in development but is not likely to be finalised and approved until summer 2024 (Current strategy expires 2025). Timescale Revised
835	770	WODC - Climate Change Strategy - September 2022	Strategy and Plan Refresh	Pending Remediation	2022/23	3	In Progress	30/09/2023	31/01/2024	30/09/2024	Carbon Action Plan has been reviewed and updated as per the action. The Climate Change Manager advised on a delay with the strategy as consultants needed to be appointed to establish an accurate baseline. Outputs are not expected until June 2024 and it will likely be September 2024 before the updated strategy is approved (Current strategy expires 2025). Timescale Revised
3005	2806	WODC - Property Services - Compliance and Health & Safety - March 2023	Asset Management Plan (AMP)	Pending Remediation	2023/24	1	In Progress	31/03/2024	--	--	
2825	2634	WODC - Freedom of Information - 2023/24	Basic training/awareness on Freedom of Information requests for Service Areas is not in place.	Pending Remediation	2023/24	2	In Progress	31/03/2024	--	--	
2986	2788	WODC - Property Services - Compliance and Health & Safety - March 2023	Central Property Database Accuracy	Pending Remediation	2023/24	3	In Progress	30/09/2024	--	--	
3536	3313	PUB - Use of Waivers - 2023/24	Contract Waiver Report Templates	Pending Remediation	2023/24	3	In Progress	31/12/2024	--	--	
3344	3126	WODC - Revenues and Benefits - Council Tax and NDR - July 2023	Council Tax and NDR: Procedure Notes Require Review to Ensure Consistency	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	
3345	3127	WODC - Revenues and Benefits - Council Tax and NDR - July 2023	Council Tax and NDR: Risk of Digital Exclusion	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	We have received evidence that the form has changed, however we were advised that this is not being actioned until after the billing period.
3164	2958	PUB - ICT Business Continuity/Disaster Recovery 2023/24	Documentation Updates	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	
3175	2968	PUB - ICT Business Continuity/Disaster Recovery 2023/24	ICT and Emergency Planning Formal Engagement and Alignment	Pending Remediation	2023/24	2	In Progress	31/03/2024	--	--	
3102	2900	WODC - Bank Reconciliation - 2023/24	Repeat Suspense Account Entries	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	
3514	3293	WODC - Bank Reconciliation - 2023/24	Review of Suspense Account	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	
2996	2798	WODC - Property Services - Compliance and Health & Safety - March 2023	Risk Assessment (RA) for All Council Owned Properties	Pending Remediation	2023/24	2	In Progress	30/06/2024	--	--	
2983	2785	WODC - Property Services - Compliance and Health & Safety - March 2023	Standard Information	Pending Remediation	2023/24	2	In Progress	30/06/2024	--	--	
3537	3314	PUB - Use of Waivers - 2023/24	Use of Waivers Training	Pending Remediation	2023/24	3	In Progress	31/12/2024	--	--	

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Summary of All Internal Audit Agreed Actions 2022/23 – 2023/24



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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2023
Subject	INTERNAL AUDIT PLAN 2024/25
Wards affected	None
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Chief Finance Officer Email: Madhu.Richards@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present to the Audit and Governance Committee the Internal Audit Plan 2024/25 for consideration and approval.
Annexes	Annex A – Proposed Internal Audit Plan 2024/25
Recommendation(s)	That the Audit and Governance Committee resolves to: /1. Approve the proposed Internal Audit Plan 2024/25
Corporate priorities	(Internal Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO

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.

2. MAIN POINTS

Internal Audit Plan

A summary of the Proposed Internal Audit Plan for 2024/25 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 2024/25 as developed throughout January and February 2024 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.

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 or by contacting democratic services 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 2024/25

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Internal Audit Planning 2024/25

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2024/25 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 2024/25

The proposed 2024/25 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 2024/25 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.

Internal Audit Planning 2024/25

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 2024/25 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit 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	Directorate
Core Financials – Publica Controls and Transactional Testing <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i> <ul style="list-style-type: none"> • Accounts Payable (Creditors) • Accounts Receivable (Debtors) • Treasury Management • Bank Reconciliation • Main Accounting – Assessment of Compliance with CIPFA Financial Management Code • Procurement – suggested area to be agreed with BM based on highest risk to organisations <ul style="list-style-type: none"> - Review to ensure procurement of new contracts is in accordance with the updated, and approved, strategy - Assessment of Compliance with Commercial Continuous Improvement Assessment Framework 	Business Services
Human Resources <ul style="list-style-type: none"> • Payroll – suggested area to be agreed with BM based on highest risk to organisations. • Human Resources – suggested area to be agreed with BM based on highest risk to organisations. <ul style="list-style-type: none"> - Input into Business World – Officer Output – Monitoring of Employee Output 	Organisational Effectiveness
Revenues and Benefits <i>A review of the controls operating in respect of:</i> <ul style="list-style-type: none"> • Council Tax • National Non-Domestic Rates • Housing Benefit and Council Tax Support <i>Scope to be confirmed</i>	Residents' Services
ICT Audits <i>Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</i>	Business Services
Regulatory Services <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>	Residents' Services Planning and Sustainability

Proposed Internal Audit Plan 2024/25


Proposed Audit Areas – Areas of Coverage and Brief Scope	Responsible Officer
Business Grant Post Payment <i>Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS</i>	
Counter Fraud and Enforcement Unit <i>Review to include processes operated by CFEU, access to data, reporting and governance</i>	
Emergency Planning <i>Review to ensure new processes are effective</i>	Organisational Effectiveness
Risk Management <i>Escalating Operational / Strategic Risks</i> <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>	
Planning Performance Agreements <i>Review control and transparency of Planning Performance Agreements</i>	Planning and Sustainability
Climate Change <i>Follow-Up of 2023/24 audit and assessment of the Councils' commitment to Carbon Reduction targets / Climate Emergency</i>	
Carbon Reduction <i>Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.</i>	
Biodiversity – Compliance for Councils <i>Review to ensure the Council is meeting its obligations in respect of Biodiversity Legislation . Biodiversity Net Gain</i>	
Environment Legislation <i>Review to ensure procedure / systems have been updated to ensure compliance with Environment Act</i>	Commercial Development
Members Allowances <i>Treatment of VAT and appropriateness of Claims</i>	
Public Meetings <i>Policy / Procedure / Training / Safeguarding / Constitution updated re webcasting</i>	
Performance Management <i>Health check of Performance Data, review of data quality, validity etc to include Planning Service Data</i> <i>Reporting of Programmes and Projects</i>	

Proposed Internal Audit Plan 2024/25

Household Support Grants <i>Ensure payments made from Government Funding have been allocated / spent in accordance with guidance (Foodbank / Baby Account)</i>	Communities
Leisure and Culture Facilities <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>	
Property and Estates (Compliance and Health and Safety) <i>Follow-Up of 2023/24 Audits</i>	Property and Regeneration
Taxi Licensing Safeguarding <i>Follow-Up of 2023/24 Audit</i>	Residents' Services
Procurement Cards <i>Follow-Up of 2022/23 audit and to assess adherence to new policy / scheme</i>	Business Services
Preparedness for the switch from Analogue to Digital in 2025 <i>Ensure preparedness of the Council for services the switch from analogue to digital will affect e.g. lifeline / careline service, lift telephones, fax machines etc</i>	Business Services
Digital Discrimination <i>Ensure all channels of communication are made available (for all services / consultations) to customers and stakeholders</i>	All
Publica Transition Programme <i>Time allocated to support the Publica Transition Programme and Workstreams</i>	
Programmes and Projects <i>Time allocated to support Programmes and Projects – service areas may include Leisure and Waste</i>	
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	
Further requested assurance / advisory / support work	

Proposed Internal Audit Plan 2024/25

Other Audit Involvement	
<p>Management <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>Follow-Up Audits <i>Follow-Up of Previous Year's Agreed Actions</i> <i>Follow-Up audit of all High Priority Agreed Actions</i></p> <p>Programmes and Projects <i>IA support to programmes and projects as appropriate (to include Environmental Services Improvement Programme ESIP)</i></p> <p>Specialist Groups <i>IA attendance at specialist groups e.g. Health and Safety Working Group, Procurement and Commissioning</i></p> <p>Grant Certification <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>Working with the Counter Fraud and Enforcement Unit <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>Contingency <i>Provision for new work based on emerging risks and Investigations.</i></p>	

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT
Wards affected	All indirectly
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	<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>
Annexes	Annex A – Work Plan 2023/2024
Recommendation(s)	<p><i>That Audit and Governance Committee:</i></p> <p><i>1. Considers the report and work plan at Annex A.</i></p>
Corporate priorities	<ul style="list-style-type: none"> Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO

<p>Consultees/ Consultation</p>	<p>Work plans are agreed and reviewed regularly with the Director of Finance.</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 relevant Senior Officers, Governance Group and Corporate Management for comment.</p>
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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 Director of Finance 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 2023/24.
- 1.6** The work plan for 2024/25 is being finalised but will include a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas. This work will include both prevention and detection activities.

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. The CFEU Head of Service has also joined the Thames Valley MAAF Group, representing West Oxfordshire District Council.
- 2.3** It has been agreed that the Gloucestershire MAAF will have a dedicated webpage. This would be serviced through the ICT team at Tewkesbury Borough Council, funding has been requested from the Office of the Police and Crime Commissioner to support this. The website is an opportunity to put in place a communication medium that will be accessible to residents and staff in the county and beyond. This dedicated webpage will enable the group to shape fraud related messaging and offer guidance, advice on fraud and signpost people to the support that is available. The site will enable the group to educate our communities on the changing threat and to provide success stories and testimonials in order to reduce the stigma and increase reporting. West Oxfordshire residents will continue to benefit from any communications regarding prevention and awareness.

- 2.4 In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). This work continues with an extended deadline of 31 December 2024.
- 2.5 In response to the severe flooding events between 2 and 8 January 2024 caused by Storm Henk, a number of grant schemes were activated. The CFEU have been working with residents and businesses effected to allow claims for the following:
- Community Recovery Grants – £500 per household,
 - Business Recovery Grants – £2,500 per business,
 - Council Tax Discounts – 100% discount for a minimum of three months and
 - Business Rate Reliefs – 100% relief for a minimum of three months.
- 2.6 The team also assisted with the verification of applications for the Community Activity Grant, overseen by the Shared Healthy Communities Team, to assist voluntary organisations with post covid recovery activities. More recently the team have assisted with the verification of the Small Business Grant applications, part of the Shared Prosperity Fund workstream overseen by the Economic Development Team.
- 2.7 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.
- As previously reported, earlier in the financial year, matches relating to the 2021/22 data sets resulted in increased Council Tax revenue of £84,173 and 50 Civil Penalties, totalling £3,500, being applied.
 - In relation to the 2022/23 data sets, the team received 1,208 matches, all have been reviewed:
 - 788 matches related to single person discount anomalies. 136 enquiries were made to residents and 42 discrepancies have been referred to the Revenues Team; results are pending.
 - 16 matches related to internal data anomalies. 1 conflict of interest / declaration matter was referred to the Business Manager Business Continuity, Governance and Risk.
 - 213 matches related to housing waiting list anomalies. 63 recommendations have been issued to the Housing Team; results are pending.
 - 191 matches related to Council Tax Reduction Scheme and Housing Benefit discrepancies. 10 cases are under investigation and 21 cases have been referred to the Department for Work and Pensions.
- 2.8 In addition to the work carried out 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.

2.9 2023/24 (to 29 February 2024):

- The team received 88 referrals from across the Council and closed 89 cases. This excludes any Council Tax Reduction Scheme referrals.
- The CFEU supports Enforcement Teams across the Council:
 - Work undertaken with the ERS Team in relation to environmental crime resulted in a Fixed Penalty Notice being issued totalling £200, and a further successful prosecution. An individual pleaded guilty in relation to the breach of a noise abatement notice. The case was sentenced at the same time as a Crown Prosecution Service matter involving the individual who had been convicted of anti-social behaviour offences - use of a bladed article and criminal damage. The individual received a 4-month custodial sentence suspended for 18 months, he was ordered to pay £300 costs and £480 compensation. In addition, he received a 1 year Restraining Order and a 2 year Serious Violence Reduction Order.
 - Work undertaken with the Revenues Team resulted in the removal of an incorrect Council Tax discount. Increased Council Tax revenue totalling £590 was raised and a Civil Penalty of £70 applied.
- The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. 67 referrals were received and 49 cases were closed. Increased Council Tax revenue of £2,097 has been raised. 1 Civil Penalty totalling £70 has been issued.
- The CFEU successfully prosecuted an individual for fraud. An individual pleaded guilty to fraudulently claiming a Test and Trace grant. He was fined £80 and ordered to pay £1,000 costs and £500 compensation, being the falsely claimed grant.

2.10 Between 1 April 2023 and 29 February 2024, the team received 5 referrals relating to disciplinary matters. 3 cases have been closed; results are as follows:

- 1 case relating to falsifying of timesheets – referral was declined.
- 2 cases relating to polygamous working – 1 individual was dismissed for gross misconduct and 1 individual resigned whilst under investigation.
- In addition the team were asked to investigate a grievance, this matter is also concluded.

2.11 Regulation of Investigatory Powers Act 2000 (RIPA) / Investigatory Powers Act 2016 (IPA)

2.12 The Council's policies are based on the legislative requirements of these Acts and supporting guidance relating to directed surveillance and the acquisition of communications data.

2.13 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. 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.

- 2.14** The Policies were to be reviewed within the CFEU work plan this year and this was undertaken by the Investigatory Powers Commissioner's Office (IPCO). The Policies were fully endorsed with a request to remove any reference to the OSC Procedures and Guidance document as it has been removed from circulation. This has been done. It is not therefore proposed that the Policies will be presented to Members for approval following the review, but copies can be found on the Council's website. There have been no subsequent amendments to date.
- 2.15** 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 Director of Finance, Madhu Richards and the Interim Head of Legal Services, Helen Blundell.
- 2.16** 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.
- 2.17** The Investigatory Powers Commissioner's Office and the Office for Communications Data Authorisations are the overseeing bodies of this activity. The two organisations are merging to improve efficiency whilst protecting the independent decision making of each. The merged organisation will remain under the name IPCO.
- 2.18** The Investigatory Powers (Amendment) Bill looks to make changes to the IPA following a review of the original Act in light of technological changes and evolving threats. A summary of any changes that impact the Council's activities will be provided as the matter progresses.
- 2.19** In May 2023, the Council was notified of its usual three-yearly inspection by IPCO, regarding its compliance with the legislation. The last inspection took place in August 2020. The inspection was completed by the CFEU remotely and the report confirmed full compliance. The next inspection is due in 2026.
- 2.20** The CFEU has developed a summary and guidance document for all enforcement staff, this will be issued with a reminder to book refresher training with the CFEU. A copy will be issued to all Members for information and reference.
- 2.21** There have been no RIPA applications made by the Council during 2023/24 and no applications were made for communications data. There has been one Non-RIPA application made during 2023/24 concerning overt activity.
- 2.22** 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. ALTERNATIVE OPTIONS

- 3.1** The CFEU is working with all Gloucestershire Local Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations.
- 3.2** 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.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

- 5.1** 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. 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.

6. RISK ASSESSMENT

- 6.1** The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 6.2** Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.
- 6.3** If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.
- 6.4** 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.

7. EQUALITIES IMPACT

- 7.1** The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.
- 7.2** The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** Not applicable.

9. BACKGROUND PAPERS

9.1 None.

(END)

Area of Work	Task	Detail
Bribery and Corruption	Assessment Template Review	
Governance	Delivery of two reports for Audit and Governance Committee	March / September
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance	Draft Completed, to be presented to Governance Group
Governance	Government Functional Standard 013: Counter Fraud - Compliance	Draft Completed, to be presented to Governance Group
Governance	Fraud Risk Strategy / Response Plan	Presented to Audit and Governance Committee November 2022 - next review 2025/2026
Governance	Development of Service Specific Fraud Risk Registers	Revenues, Benefits, HR and Procurement commenced
Policy	Counter Fraud and Anti-Corruption Policy	Reviewed and Approved by Audit and Governance Committee November 2022 / Cabinet December 2022 - next review 2025/2026
Policy	Corporate Enforcement Policy	Approved by Cabinet April 2019 - next review 2023/2024 (review and consultation commenced)
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy	Reviewed and Approved by Audit and Governance Committee September 2023 / Cabinet November 2023 – next review 2026/2027
Policy	Proceeds of Crime & Anti-Money Laundering Policy	Reviewed and Approved by Audit and General Purposes Committee June 2021 - next review 2024/2025
Policy	Whistle-Blowing Policy	Reviewed and Approved by Audit and Governance Committee April 2022 / Cabinet May 2022 - next review 2025/2026
Policy	RIPA (Surveillance & CHIS)	Reviewed and Approved by Audit and General Purposes Committee November 2019 / Cabinet December 2019 - reviewed 2023/2024 / next review 2026/2027

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

Area of Work	Task	Detail
Policy	IPA (Acquisition of Communications Data)	Reviewed and Approved by Audit and General Purposes Committee November 2019 / Cabinet December 2019 - reviewed 2023/2024 / next review 2026/2027
Policy	Use of the Internet and Social Media in Investigations and Enforcement	Reviewed and Approved by Audit and General Purposes Committee September 2021 / Cabinet November 2021 – reviewed 2023/2024 / next review 2026/2027
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	Complete – March
Serious and Organised Crime	Checklist / Risks	To be included within the Fraud Risk Registers
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses	
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data	Complete – May
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC	Annual updates completed March. Inspection complete, next inspection 2026
Strategy : Detection	Housing Waiting List review	2024/2025
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing	2021/2022 – 1045 CTAX matches reviewed / 116 accounts updated / CTAX £84,173 / 50 Penalties £3,500 2022/2023 - 1208 matches received & reviewed / 63 housing & 21 DWP discrepancies issued / 136 CTAX letters to residents / 42 discrepancies referred to Revenues

RIPA = Regulation of Investigatory Powers Act 2000

IPA = Investigatory Powers Act 2016

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PACE = Police and Criminal Evidence Act 1984

Area of Work	Task	Detail
Strategy : Detection	National Fraud Initiative Match Reviews – Payroll	2022/2023 - 16 matches reviewed / 1 conflict of interest discrepancy identified
Strategy : Detection	Procurement Proactive Fraud Drive - Small Supplier Payment Review	Commenced
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities	Pending guidance / regulations
Strategy : Detection	SMI Review (sample 20)	Commenced
Strategy : Detection	Business Grants - Assurance and Enforcement Activities	Debt recovery and transfer
Strategy : Detection	Community Activity Grants - Assurance and Enforcement Activities	Complete – 27 applications verified
Strategy : Detection	Small Business Grants (Shared Prosperity Fund) - Assurance and Enforcement Activities	Complete – 36 applications verified
Strategy : Detection	Council Tax Reduction Scheme Proactive Fraud Drive	Amnesty to be implemented before fraud drive activities 2024/2025
Strategy : Detection	Business Rates Proactive Fraud Drive - Small Business Rates Relief	2024/2025
Strategy : Detection	Homelessness Rent Deposit Scheme Review	No longer required – team undertook internal review
Strategy : Detection	CTRS Support Fund Review	SWAP to undertake review
Strategy : Detection	Household Support Fund Review	SWAP to undertake review
Strategy : Detection	Aged Debt Review	

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

Area of Work	Task	Detail
Strategy : Prevention	Development of Fraud Awareness Literature (staff)	Complete - issued to staff / on intranet page
Strategy : Prevention	Development of Right to Buy Debt Recovery Process	
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / Criminal Enforcement CPIA, PACE, Disclosure Training, Money Laundering	
Strategy : Prevention	MAAF Support / Work Streams	Staff awareness session 13 September 2023
Strategy : Prevention	Private Rental Sector Minimum Energy Efficiency Standard (MEES) Compliance and Enforcement	Project ended by Central Government

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

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	STRATEGIC RISK REGISTER
Wards affected	All
Accountable member	Councillor Andy Graham, Leader of the Council Email: andy.graham@westoxon.gov.uk
Accountable officer	Giles Hughes, Chief Executive. Email: giles.hughes@westoxon.gov.uk
Report author	Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity Email: democratic.services@westoxon.gov.uk
Summary/Purpose	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.
Annexes	Annex A – Strategic Risk Register
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the Strategic Risk Register.
Corporate priorities	All
Key Decision	NO
Exempt	No
Consultees/ Consultation	N/A

1. BACKGROUND

- 1.1** The strategic risk register is presented to the Audit and Governance 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** All updates to the commentary since the November Audit and Governance Committee are shown in red, along with a direction of travel column, which shows if the risk has either increased / red (got worse), decreased / green (reduced in risk) or stayed the same since the last time it was reported to Audit Committee.
- 2.2** There have been no changes to the direction of travel since the last report.
- 2.3** Below is a summary of some of the key changes / updates:

IR3 Health & Safety. Accidents and incidents remain low with positive health and safety controls in place.

IR5 Shareholder Review of Publica: Significant work is being undertaken to progress the recommendations in the Human Engine report. This includes a further report undertaken by Local Partnerships, appointment of an Interim Programme Director and establishment of Governance Arrangements for the transition.

ER4 Refugees / Asylum Seekers. A new risk has been added for refugees and asylum seekers for Government decision to close Asylum seeker hotels, however, the current mitigations in place mean that the risk is low.

SRI Major Civil Emergency. Significant work has been undertaken to develop locality-based response and rest centre teams. These are now in place, and refresher training is now underway for all employees who will play a part in responding to a civil emergency.

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 2023.





8.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services 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
Reviewed: March 2024
Next Review: May 2024

							Initial Risk				Previous Residual Risk Score			Current Residual Risk Score			Change in residual risk since previous review						
ID	Risk Title	Description of risk / opportunity / Impact	Corporate Objective	Date raised	Risk Owner	Responsible Officer	Impact category	Likelihood category		Existing Control, Mitigation or Contingency	Impact category	Likelihood category	Score	Impact category	Likelihood category	Score		Follow on Action (if required)	Target delivery date	Risk Acceptance Level	Update comments	Status: Open, Hold, or Closed	Direction of Travel since previous review)
Internal Risks																							
IR1	Financial Stability of WODC	There is a risk that the Council's finances become unsustainable. The future funding available to the Council remains extremely uncertain and the Council is particularly exposed to pending changes to retained business rate growth and new homes bonus income. Commercial income streams are also subject to some volatility. There are also significantly cost pressures as a result of inflation. The Council's General Fund Balance is currently healthy but will fall below minimum levels without further action, as set out in the Medium Term Financial Strategy (MTFS).	Working Together for West Oxfordshire	1/5/2023	Finance Director S151		Extreme	Probable	20	General Fund Reserves are currently healthy. 23/24 Budget updated to include known cost pressures. Budget monitoring in place throughout the year. Budget setting for 24/25 to identify additional opportunities and pressures. A Transformation Group has been established to drive further efficiencies forward.	Major	Probable	16	Major	Probable	16	0	Continued in year budget monitoring and reporting. The 24/25 Budget to be collated and an updated MTFS to be reviewed by Executive and Council. Review of earmarked reserves. Further consideration of options - particularly in areas of Waste, Leisure, Homelessness and Asset Management with a view to bridging the financial gap identifies within the MTFS. In addition, more member training to be considered to increase profile of budgetary challenges.	Ongoing	Risk Reduction		Open	
IR2	GDPR / Information Management	If the council is not compliant with the General Data Protection and does not have robust processes in place for Information Management then there is a risk of financial penalties, reputational damage and impact on resources	Working Together for West Oxfordshire	1/5/2013	AD Business Services (PM)		Major	Probable	16	Policies and procedures in place for Data Protection Compliance Data Protection Officer and team in place. ICT systems compliant with Data Protection with PSN accreditation / cyber essentials Mandatory training for all staffData Protection Privacy notices in place. Data sharing agreements in place Data breach processes in place	Major	Possible	12	Major	Possible	12	0	All emails received from at risk location are quarantined and inspected by ICT staff before being released. See also risk P5 on cyber security. Currently rolling out new training programme for staff on data protection and cyber awareness. PSN accreditation achieved in June. Data Protection awareness currently being rolled out	Ongoing	Risk Reduction		Open	
IR3	Health & Safety	If the council and its contractors / partners are not compliant with the Health & Safety at Work Act, it is at risk of a serious Health & Safety incident / accident leading to financial penalties, reputational damage and risk to services.	Working Together for West Oxfordshire	30/8/2023	AD Business Services (PM)		Major	Possible	12	Health & Safety business partner in place to monitor compliance for Publica, with H&S Board and audit / inspection process. New H&S policy in place for Publica. Ubico have specialist H&S Officers and hold ISO45001, the highest level of H&S compliance. Services delivered by Council and Publica are low risk, highest risk is services contracted to Ubico where H&S is paramount.	Major	Remote	8	Major	Remote	8	0	Health & Safety Board in place to monitor compliance and report back to the Shareholder. Accidents and incidents remain low. Ongoing service area H&S internal audits being undertaken to ensure compliance	Ongoing	Risk Sharing		Open	
IR4	Legislative Compliance	If the Council and its contractors / partners is not compliant with relevant legislation, it is at risk of not meeting its statutory duty, reputational damage and financial impact	Working Together for West Oxfordshire	30/8/2023	Monitoring Officer		Moderate	Possible	9	Individual ADs and BMs responsible for Legal compliance within their respective areas with an annual declaration in place to monitor compliance. Audit process in place to check compliance. Service areas receive updates on legislation for their service areas. Review of legal services being completed.	Minor	Possible	6	Minor	Possible	6	0	Work ongoing to ensure we remain compliant with current legislation and future legislation.	Ongoing	Risk Reduction		Open	
IR5	Shareholder Review of Publica	<p>The review of Publica by Human Engine commissioned by the four shareholder Councils has been published at Cabinet with a recommendation to in-source the majority of services. This is subject to a detailed transition plan and financial costings. Staff have been informed through a briefing prior to the recommendation being published.</p> <p>If the detailed transition plan is not published soon providing assurance to those impacted by the decision, there is a risk that service delivery could be impacted due to loss of staff, inability to recruit, and low staff morale.</p> <p>If detailed costings are not undertaken, there is a risk that in-sourcing the services could increase the cost of delivery and not achieve savings / efficiencies.</p>	Working Together for West Oxfordshire	31/8/2023	CEO (GH)		Moderate	Possible	9	<p>Report requires:</p> <p>A detailed transition plan to be developed for subsequent agreement by Cabinet and Council.</p> <p>Further due diligence to fully understand the financial implications of the recommendation in the short and long term.</p>	Moderate	Probable	12	Moderate	Probable	12	0	<p>Email setup for staff to raise questions about the announcement. Frequently asked questions continue to be updated and reviewed.</p> <p>Work being undertaken on the data required to inform costings. Monitoring being undertaken to measure any impact to services / staffing impact. Officer working group established to deliver the transition plan.</p> <p>All staff briefing completed to update staff on the transition. Agreed that this will take place regularly.</p> <p>Governance arrangements agreed for transition project.</p> <p>Interim MD appointed for Publica. Transition Director appointed.</p> <p>Work being undertaken to establish workstreams and to develop detailed transition plan for Council approval. Work completed by Local Partnerships complete and will be presented in March / April</p>	Ongoing	Risk Reduction		Open	

External Risks																							
ER1	Cyber Attack	If the ICT network is not adequately protected then it is susceptible to a Cyber - Security Attack leading to loss of systems and data, significant downtime, reputational damage and impact on service delivery and resources	Working Together for West Oxfordshire	1/5/2013	AD Business Services (PM)		Extreme	Probable	20	Blocking of USB and other devices. PSN compliance. Revised policies. Staff awareness training. Business Continuity Plan in place, reviewed and tested. Enhanced encryption software and other specialist cyber tools. Investment in cyber training for the ICT Team and specialist officer/s in post. Cyber Essentials re- accreditation submitted. Ongoing network Internal & External Penetration checks. Continual Password Audits across our network to evaluate weak password. Detailed review of Business Continuity & Disaster Recovery Plans in light of recent cyber attack on neighbouring council.	Major	Possible	12	Major	Possible	12	0	Cyber Ninja training currently being rolled out across the organisation, which will be followed by Phishing emails to test understanding and awareness following the training. Ongoing investment in cyber team with dedicated team now in place. Regular review of User Privileges and Information Asset Register. Cyber updates being presented to Council Audit & Governance committees, Publica Audit & Risk Committee (ARAC) and Governance Meetings. Recent Internal Audit completed. 20/02/24 training session on teams for Members / Group Leaders.	Ongoing	Risk Reduction		Open	
ER2	Global Pandemic	If there was another global pandemic, then there is a risk to the delivery of council services due to lack of resource availability, impacting on costs and reputation	Working Together for West Oxfordshire	1/7/2023	CEO (GH)		Moderate	Possible	9	New risk to replace Covid specific risks, as Covid is now BAU. Lessons learnt from previous pandemic, Council and partners are now setup to work remotely and able to continue to deliver services in the midst of a pandemic. There is an effective framework in place with Oxfordshire partners.	Moderate	Possible	9	Moderate	Possible	9	0	Watching brief should a further pandemic be predicted	Hold	Risk Acceptance & Retention	Risk replaces covid specific risks	Hold	
ER3	Fraud & Corruption Risk	If the Council does not have controls, checks and measures in place when commissioning and procuring goods, works and services, there is a risk of fraud and / or corruption which may impact on cost, reputation, and services.	Working Together for West Oxfordshire	7/11/2023	CEO (GH)		Major	Probable	16	Counter Fraud and Enforcement Unit (CFEU) in place to manage Fraud and Corruption and ensure that the Council and its employees understand the risks and have controls, checks and measures in place to mitigate this activity. CFEU report to the Council's Audit and Governance Committee. Employees receive regular training. CFEU test controls to ensure fit for purpose	Moderate	Possible	9	Moderate	Possible	9	0	CFEU currently developing service risk registers for fraud to further improve awareness and controls.	Ongoing	Risk Reduction		Open	
ER4	Refugees / Asylum Seekers	If there is an increase in refugees / asylum seekers into the District, the Council may need to find alternative accomodation which may impact on the Council in terms an increased demand on housing support and services services.	Working Together for West Oxfordshire	28/10/2023	AD Business Services (PM)		Moderate	Probable	12	Migrant hotels are currently in place, however, this may be changing which may have an impact on housing support and services.	Minor	Possible	6	Minor	Possible	6	0	WoDC is working with Cottsway Housing to provide additional properties using the LA Housing Fund from the Home Office. Numbers are decreasing as families move into private rented accomodation, social housing or return to their home country. No additional demand expected currently from ARAP/ACRS. New cohorts of refugees is BAU. Monitoring potential risk of increased homelessness if asylum seekers granted permission to remain.	Ongoing	Risk Acceptance & Retention		Open	
Strategic Risks																							
SR1	Major Civil Emergency	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.	Working Together for West Oxfordshire	1/1/2021	BM for Emergency Planning (CS)		Major	Possible	12	Emergency planning team in place. Emergency Planning Process in place, with defined roles and responsibilities. Staff trained in their roles. 24/7 callout in place. Ongoing work with the Local Resilience Forum.	Major	Possible	12	Major	Possible	12	0	WoDC Coordination Team and Rest Centres teams now in place, which is then supported by wider shared resource across Publica. Refresh Training setup for Coordination Team, Rest Centre Team and Duty Officers and Managers. All documentation being updated and transferred to 365. Plans tested during recent floods when Tactical Coordinating Group (TCG) and Strategic Coordinating Group (SCG) stood up.	Dec-23	Risk Reduction	Difficult to reduce as likely to be caused by natural disaster e.g., flooding or major incident. Therefore, it is about our ability to respond and meet obligations under Civil Emergencies Act.	Open	
SR2	Climate Emergency	The Council has made a commitment to achieve countywide carbon neutrality as well as a carbon neutrality for the Council's own services. Failure to achieve these targets could result in the Council not meetings its commitments, as well as risk in terms of cost of delivery if the Government does not provide funding for delivery of carbon targets	Responding to the Climate and Ecological Emergency	1/6/2023	CEO (GH)		Moderate	Probable	12	Desire of Council to become carbon neutral, however affordability and government funding to achieve this may not be in line with ambitions	moderate	possible	9	moderate	possible	9	0	Focussed delivery of key projects will be embedded in refreshed Service Delivery Plans. To achieve the targets may require significant further investment.	Mar-23	Risk Reduction	Additional risk due to increasing costs of investment, making business cases difficult	Open	

Partnership Risks																							
PR1	Partnership deliverables (Ubico waste provider)	<p>If the 'Waste' contractor does not meet their obligations under key contracts then it could lead to a fall in service standards, reduced customer service, a failure to meet legal requirements or an increase in costs to the Council and reputational impact</p> <p>Waste and Recycling - shortage of qualified HGV drivers, lack of loaders, along with the impact of future Covid variants could result in the Waste Contractor being unable to meet its obligations for waste and recycling collections.</p>	Responding to the Climate and Ecological Emergency	15/6/2023	AD Commercial Services (B.O)		Major	Possible	12	WODC is a shareholder of Ubico, with significant control and influence over the company ensuring ongoing financial viability and affordability for the Council. Contract Management in place to ensure Ubico deliver the service in-line with agreed specification and standards. Performance reports presented to Council.	Major	possible	12	Major	possible	12	0		Ongoing	Risk Reduction		Open	
PR2	Failure of Leisure provider and partnership deliverables (GLL)	<p>If the current leisure provider continues to face national financial difficulties, there is a risk to the council in the delivery of leisure services, resulting in increased costs, and reputational damage. Whilst mitigations can be put in place to increase leisure provision locally, WODC cannot influence the overall GLL financial difficulties / pressures.</p>	Working Together for West Oxfordshire	15/6/2923	AD Communities (AB)		Major	Probable	16	Work continues with GLL to make the service sustainable and affordable in the medium term.	Major	possible	12	Major	possible	12	0		Ongoing	Risk Reduction		Open	
PR3	Partnership Deliverables (Publica)	<p>If Publica do not deliver the Future Publica Savings, this will add additional financial pressure on the Council, also if delivered as a cutting exercise, it could impact on service delivery.</p> <p>If Publica are unable to recruit/retain suitably qualified staff - impact on quality of services delivered, financial impact</p> <p>Services are not able to adequately discharge their (legal) obligations leading to failure - this may not be reported through the quarterly performance reports</p>	Working Together for West Oxfordshire	15/6/2023	CEO (GH)		Major	Possible	12	<p>Financial incentives (market force supplement scheme)</p> <p>Review of pay and benefits package.</p> <p>Introduction of career grade structures in Planning and Project Management</p> <p>Recruitment improvement plan in place</p> <p>Investors in People</p> <p>HR programme in place</p> <p>Shareholder Forum in place to hold Publica to account.</p>	Moderate	Probable	12	Moderate	Probable	12	0	<p>The recommendation to in-source the majority of services from Publica back into the Council has been approved by Cabinet. All partner Councils have also had the recommendation improved.</p> <p>Governance arrangements for the partnership will be reviewed as part of new model.</p> <p>Uncertainty around the delivery of savings targets through Future Publica with change in delivery model.</p> <p>Potential increase in risk around recruitment and retention during transition / change, which may impact on performance.</p> <p>Interim MD appointed and new Board Chair.</p> <p>See R5 for more detail.</p>	March 2024 for first efficiency savings	Risk Reduction		Open	
Major Project Risks																							
MR1	Failure to deliver WODC programme of major projects	<p>If the Council does deliver on it's major projects, this could result in non delivery of Council priorities , cost increases, financial pressures and reputational damage</p>	Working Together for West Oxfordshire		CEO (GH)		Major	Possible	12	<p>All projects require a detailed business case and sign off before proceeding.</p> <p>Project Manager appointed to manage all major projects</p> <p>Project reporting in place, including risk reporting on a monthly basis.</p>	Moderate	Possible	9	Moderate	Possible	9	0	<p>Due to inflation, project costs are increasing for major projects and the cost of borrowing is impacting, in some cases on the viability of businesses cases. This is being monitored on a case by case basis</p>		Risk Reduction		Open	

Likelihood

1	Improbable	Has not occurred before Has not occurred at other similar organisations Extremely unlikely to occur (less than 10% chance) but may do so in at least 10 years time
2	Remote	Remote risk but could happen within next 3 to 10 years Has not occurred in this company group but isolated cases have occurred elsewhere in similar organisations
3	Possible	Could happen at least once every 1 to 3 years New circumstances with little data to indicate likelihood of occurrence 50 / 50 chance of it happening
4	Probable	More likely to happen than not Could occur within next 3 – 12 months Has occurred in the last five years Has occurred at some other similar organisations
5	Almost certain	Has occurred in the last two years Has occurred at many other similar organisations More than an 80% chance of it happening Likely to happen within next three months or is occurring at present

Impact

1	Insignificant	Negligible impact on achievement of service objectives/delivery Negligible impact on delivery of project – slight slippage or reduction in quality/scope with no overall impact Negligible financial impact Health and Safety of very small number of individuals affected Limited impact on staff and culture – a few individuals only affected Minor legal/regulatory impact – no sanction or legal action likely No damage to reputation or will not result in adverse media comment
2	Minor	Moderate impact on service objectives/delivery – only partially achievable without additional time Some impact on project – slight slippage against published milestones/targets and some 'nice to have' elements not possible Minor injuries possible to relatively small number of individuals Likely to affect motivation of small groups of staff Some legal/regulatory impact – could lead to warnings/threats of sanctions/ legal action Some public embarrassment but no damage to reputation or standing in the community Financial impact can be contained within service budget
3	Moderate	Service objectives/delivery not achievable without considerable additional time / resources Moderate effect on project timetable and significant elements of scope or functionality may not be available Moderate number of injuries possible – not life threatening Moderate impact on staff motivation within particular service(s) Significant legal/regulatory impact leading to reprimand, sanctions or legal action

		<p>Some public embarrassment leading to limited reputational damage (adverse local press) – short term impact</p> <p>Financial impact cannot be contained within budget and needs additional resourcing.</p>
4	Major	<p>Significant impact on achievement of service objectives/delivery even with additional resources</p> <p>Failure to /inability to protect lead times of projects/risks to meet needs of population or stakeholders</p> <p>Possibility of serious injury or fatality to individuals</p> <p>Significant impact on employee motivation generally – possibly leading to poor quality services</p> <p>Significant reputational impact leading to sanctions or legal action with significant costs to credibility and public confidence in the service / company (of interest to the national press)</p> <p>Significant financial impact (>£250,000)</p>
5	Extreme	<p>Unable to achieve corporate objective or prolonged closure/withdrawal of service</p> <p>Major projects viability jeopardised through delay or level of quality makes it effectively unusable</p> <p>Possibility of multiple fatalities or serious injuries</p> <p>Severe impact on staff motivation generally, leading to dissatisfaction and industrial unrest</p> <p>Major legal/regulatory impact leading to sanctions or legal action with substantial financial or other consequences</p> <p>Highly damaging to reputation with immediate impact on public confidence</p> <p>Incident of interest to government agencies</p> <p>Incident potentially leading to resignation or dismissal of a Director</p> <p>Severe financial impact</p>

Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	Impact					

Risk number	Risk	PESTLE category

Risk Appetite Grouping and Risk Appetite	Current Scoring	Target (I x L)	Notes

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2023/24
Wards affected	All
Accountable member	Councillor Andy Graham, Leader of the Council Email: andy.graham@westoxon.gov.uk
Accountable officer	Andrea McCaskie, Director of Governance, Monitoring Officer Email: andrea.mccaskie@westoxon.gov.uk
Report author	Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity Email: democratic.services@westoxon.gov.uk
Summary/Purpose	This report provides the Audit Committee with an update on progress against the Annual Governance Statement action plan for 2023/24
Annexes	Annex A – Annual Governance Statement Action Plan 2023/24
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the action plan and associated progress updates.
Corporate priorities	All
Key Decision	NO
Exempt	No
Consultees/ Consultation	N/A

1. BACKGROUND

- 1.1** The Audit and Governance Committee is the Committee of the Council charged with overseeing governance.
- 1.2** Regulation 4 of The Accounts and Audit Regulations 2011 require the Council to produce an Annual Governance Statement (AGS), setting out the Council's governance arrangements.
- 1.3** The AGS for 2023/24 was last presented to the Audit and Governance Committee on 10 August 2023 and is included within the approved Annual Statement of Accounts.

2. AGS ACTION PLAN 2022/23

- 2.1** There are 14 key actions within the 2023/24 Annual Governance action plan, these include:

- MTFS refresh
- Treasury management
- Service transformation
- Invoice approval hierarchy
- Aged debt and credit control
- Project and programme reporting
- Roles and responsibilities
- Raising awareness of contract procedure rules
- Financial management
- Risk management
- Emergency planning
- Portal content management
- Business continuity
- New HR policies

- 2.2** The plan identifies the specific tasks that will be undertaken in the respective areas of focus and sets timescales for their completion, along with any progress up to March 24. The Action Plan also includes a RAG rating to show whether the actions are on target, off target but action being taken to ensure delivery or off target and no action has yet been agreed to resolve the situation.
- 2.3** All actions are either complete or on target except for Financial Management which will carry over into next financial year due to the Publica review and Business Continuity Plans, where significant progress has been made, but some of the proposed changes, will carry over.
- 2.4** Any actions which remain open or in progress will transfer into the new Action Plan for 24/25 which will be developed shortly and brought to Audit Committee for sign-off.

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 If the Council's governance arrangements are weak then Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the 2023/24 financial year identified in the AGS provide a clear set of priorities for the continual improvement of governance and mitigation of risk.

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 None.

(END)

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ANNUAL GOVERNANCE ACTION PLAN 2023/24



Notes and key

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

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

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

This action plan contains actions from the Annual Governance Statement 2023/24 which are coordinated and monitored by the WODC Management Team.

Key to officers:

Accountable officer (AO)

CEO - Chief Executive: Giles Hughes

CFO - Chief Finance (S.151) Officer: Madhu Richards

MO - Monitoring Officer: Andrea McCaskie

Publica Responsible officer (RO)

BM Gov - Business Manager - Business Continuity, Risk and Governance: Cheryl Sloan

BM Fin - Business Manager - Finance: Georgina Dyer

BM Comm - Business Manager - Communications and Marketing Mark Pritchard

BM HR - Business Manager - People: John Llewellyn

BP Proc - Senior Procurement Business Partner: Ciaran O'Kane

	Key Area of Focus	Planned Actions	Responsible Officer	Completion due by	Progress
1	Medium Term Financial Strategy (MTFS) refresh	<ul style="list-style-type: none"> Continue to regularly update the MTFS to reflect the current financial forecast. The current iteration shows a significant budget gap and while some mitigations have been identified, they are insufficient to resolve the budget shortfall. The emerging Action Plan which links to the revised Council priorities will inevitably increase pressure on the budget so even more savings / additional income will need to be found in order to close the gap and balance the budget. 	Director of Finance & I51 Officer	31/03/24	The Council has put in place a Transformation Group to manage the budget gap identified in the MTFS. This includes asset management planning and a review of key contracts (Ubico and GLL) on its' Work Plan. The MTFS is reviewed as part of the annual budget setting process.
2	Treasury Management	<ul style="list-style-type: none"> As the Council's cashflow becomes tighter, an increased focus on Treasury Management is required with more frequent and timely updates allowing for management of a reduced level of working capital and maximum foresight of any borrowing requirements. 	Director of Finance & I51 Officer	31/12/23	<p>We monitor and update daily cashflows for all 3 Councils alongside monthly actuals and monthly variance analysis. 2023/24 has not seen a significant decrease in working capital but levels are expected to drop in 2024-25.</p> <p>Regular meetings with Chief Accountants, S151's and advisors occur at a minimum of quarterly and ad hoc meetings and communication occur between the Treasury team and accountants to make sure the cashflow forecast is as accurate as possible.</p>

3	Service Transformation	<ul style="list-style-type: none"> Conduct a robust review of future service delivery options to make sure the solutions needed for the Council to achieve financial stability can be achieved, given the MTFS shortfall over the years ahead. This review will examine the priorities for service delivery, options for reduction or transformation and how both the Publica and Ubico models fit into this. The review should determine which service provision is statutory and non-statutory, fits with current priorities or is legacy, and where there are opportunities to reduce even the level of statutory provision. 	Chief Executive Officer	31/03/24	<p>A review was completed by Human Engine with the report and recommendation taken to Executive and Overview and Scrutiny.</p> <p>Interim Programme Director has been appointed and started w/c 22 January 2024</p> <p>Local Partnerships were commissioned to deliver a transition framework which has reported back to the Executive and Overview and Scrutiny during February and March 2024.</p> <p>Officer Transition Board established along with 5 key workstreams covering Finance, Legal, HR, ICT and Communications.</p>
4	Invoice approval hierarchies	<ul style="list-style-type: none"> To continue the review of invoice approval hierarchies ensuring that these are appropriately reflected on Business World (BW). To investigate whether Business World would support the workflow of approvals thus removing the need to gather information on whether invoices should be paid or not via email or other means external to BW which does not allow for an appropriate audit trail to be preserved on the Finance system. 	AD, Business Services	31/03/24	<p>Ongoing regular reviews of invoice hierarchies are already in place and are aligned in the BW system.</p> <p>Our investigation of BW capabilities are ongoing and we are always looking at ways to improve the efficiency of the system and avoid having to run parallel processes.</p>
5	Aged debt and credit control	<ul style="list-style-type: none"> To retrain all service areas in the handling of aged debt. A review of the process 	AD, Business Services	31/12/23	Business Managers have received training, and this will now be completed for staff


		has identified that processes are not being followed. These need to have a stronger focus and to be re-embedded in-service areas, supported centrally by a stronger emphasis on credit control. Much work has been done in 22/23 to assess and write off uncollectable debt but work is required on current debt processes to ensure that timely interventions are made.			<p>who have responsibilities for revenue generating services and debt recovery.</p> <p>A new booklet has been produced to detail how this should be managed, along with any additional guidance and forms.</p>
6	Project and Programme reporting	<ul style="list-style-type: none"> This area has improved but more work still needs to be done to ensure that there is transparency of information and that mitigations are owned and time bounded and that the implications of delays or overruns is clearly documented and communicated. Guidance on governance frameworks has been written but more work is required to ensure this is embedded. 	Business Manager, Governance	31/03/24	<p>All Project and Programmes for WoDC are reported on a bi-monthly basis to the Senior Management Team. This ensures transparency and ownership. This is also presented quarterly to informal Executive.</p> <p>Project and programme governance is in place and is continually being reviewed and updated.</p>
7	Roles and responsibilities	<ul style="list-style-type: none"> The External Auditors have recommended that as part of the upcoming external review of Publica, there is a clarification of roles and responsibilities, where decisions should appropriately sit (in Publica / Ubico or the Council) and more clarity around not just the services being delivered but the level of those services. 	Chief Executive	31/03/24	<p>This will form part of the detailed transition plans as part of the Transition of Services from Publica into the Council.</p> <p>Carry over to 24/25 as part of transition work.</p>

8	Raising awareness of the contract procedure rules	<ul style="list-style-type: none"> A new Contract & Procurement Strategy has been developed and is currently awaiting approval by Executive (Cabinet). A priority this year will be to rollout Management and Officer Training to ensure this new strategy is understood and embedded. 	AD Business Services	31/03/24	The new Contract and Procurement Strategy has been approved and briefing notes have been issued and a presentation provided to all Business Managers on their responsibilities under the new Strategy.
9	Financial Management	<ul style="list-style-type: none"> To review the financial procedure rules and financial processes to be completed in 2023/24 against the CIPFA Financial Management Code. 	Director of Finance & Section 151	31/12/24	<p>The Publica review and transition process will influence the timing and nature of any review of financial procedures and processes.</p> <p>This action will therefore carry over into next financial year and will need a more incremental approach when structures and timings are agreed.</p> <p>Carry over into 24/25.</p>
10	Risk Management	<ul style="list-style-type: none"> To rollout the Risk Management Training to all relevant Officers (Launched in May 2023) To build risk management into the new Leadership and Development Training To ensure the existing Risk Policy and process enables effective reporting, escalation and mitigation. 	AD Organisational Effectiveness	31/03/24	<p>Risk management training was launched in May 2023. New portal pages are now live for Risk Management.</p> <p>A new risk training presentation will be produced and added to IHasco mandatory training.</p>

		<ul style="list-style-type: none"> To continue to improve the Risk Registers and the processes by which risks are escalated to the Strategic Risk Register to ensure that all risks are escalated allowing Local Management Team and Members sight of them for monitoring and inclusion in decision making information. 			<p>A lot of work has been undertaken to ensure that Risks are identified, escalated, and mitigated. Risk is now taken to the Management Team meeting, and it is presented to informal Executive on a quarterly basis.</p> <p>The revised WODC Risk Register has been presented to Audit and Governance Committee and work is now being completed on the Risk Policy which will be presented early in the new Financial Year.</p>
11	Emergency Planning	<ul style="list-style-type: none"> To further increase community resilience in line with the new Resilience Framework, published in December 2022. To further develop our Emergency Response Framework by putting in place a Locality Response Team for WODC who are trained and able to respond in the event of a significant local incident. To ensure Statutory Officers are trained and competent in their role as Gold (Strategic) Commander in the event of a significant local incident, and relevant Officers are trained in Silver (tactical) and Bronze (operational response). To ensure the Safety Advisory Group considers any implications from Martyn's Law when considering planned events. 	AD Organisational Effectiveness	31/03/24	<p>Advice and support is provided to interested communities as and when requested. A stronger Local Resilience Forum (LRF) bid is currently at its final stages which will include a Business and Community role.</p> <p>New Locality based response teams are now in place for coordination and rest centre management. Regular meetings are in place with the volunteers. JESIP training has been completed and further training is scheduled for the Coordination Team, Rest Centre Team and Duty Manager / Officer.</p> <p>An overview of Emergency Planning responsibilities was delivered to Statutory</p>

					<p>Officers. Duty Officer and Manager refresher training scheduled.</p> <p>This is ongoing. Work is being undertaken with the LRF to ensure we are sighted on changes.</p>
12	Portal Content Management	<ul style="list-style-type: none"> To review the Publica Portal content to ensure it is up to date, and includes the latest versions of all policies and procedures 	AD Commercial Services	31/03/24	<p>Portal pages are now complete and live. This is now 'business as usual' with updates being made as and when requested by services who own each of their portal pages.</p> <p>Staff portals will need to be reviewed in light of the Publica Review and will be likely that each council will need their own portal as staff are taken back in-house and therefore each council will need its own internal comms.</p>
13	Business Continuity	<ul style="list-style-type: none"> To further develop the Business Continuity Processes (BCP) to ensure they are robust and fit for purpose To test the business critical Business Continuity Plans in 2023/24 	AD Organisational Effectiveness	31/03/24	<p>The Emergency Planning Officer has now completed BCP training, and a plan is being developed to review the Business Continuity policy to identify any additional areas for improvement. A rolling programme of BCP updates has been agreed for next financial year to enable a more detailed review of service area Business Impact Assessments and Business</p>

					<p>Continuity Plans. This action will be carried over into next financial year.</p> <p>The IT BCP was recently tested through an internal audit which assumed a successful cyber-attack and the off-premise rebuild of a business critical IT system.</p>
14	New HR Policies	<ul style="list-style-type: none"> Rollout a new and revised suite of HR policies in 2023/24 Ensure Managers are trained in the use of the new HR Policies 	AD Organisational Effectiveness	31/03/24	<p>A suite of HR Policies has been reviewed and Executive recommended approval by Council, with a further suite due later in the year.</p> <p>As HR policies are approved across the three partner Councils training will be completed.</p>

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	AUDIT AND GOVERNANCE COMMITTEE EFFECTIVENESS REVIEW
Wards affected	None
Accountable member	Councillor Carl Rylett, Chair of Audit and Governance Committee Email: Carl.Rylett@westoxon.gov.uk
Accountable officer	Madhu Richards, Chief Finance Officer Email: Madhu.Richards@westoxon.gov.uk Andrea McCaskie, Monitoring Officer Email : Andrea.McCaskie@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present a summary of the findings / conclusions resulting from the AC Effectiveness Survey responses
Annexes	Annex A – Knowledge & Understanding, Skills and Abilities Responses Annex B – Supplementary Question Responses
Recommendation(s)	That the Audit and Governance Committee recommends to Council: <ol style="list-style-type: none"> 1. A reduced Audit and Governance Committee to 11 Councillors. 2. A recruitment exercise for up to 2 Independent Persons. 3. No Members of the Executive to sit on Audit and Governance Committee. 4. A programme of training is developed to ensure Members of the Audit and Governance Committee are able to discharge their responsibilities confidently.
Corporate priorities	Internal Audit supports all Council Corporate Priorities

	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Not Applicable

I. BACKGROUND

At its meeting of 23rd November 2023, the Audit and Governance Committee received a paper from the Monitoring Officer and Head of Internal Audit, in respect of Effective Audit Committees and received a copy of CIPFA's Position Statement on Audit Committees in Local Authorities (2022).

The Committee agreed to undertake a self-assessment based on the CIPFA Toolkit(s) to identify knowledge gaps, training needs etc. Three additional questions were added based on CIPFA recommendations, about size and structure of the Audit and Governance Committee.

2. MAIN POINTS

Eleven Members, of the Audit and Governance Committee, completed the survey, along with three non Audit and Governance Members.

The key areas included in the survey were:

- Organisational knowledge
- Audit committee role and functions
- Governance
- Internal audit
- Financial management and reporting
- External audit
- Risk management
- Counter fraud
- Values of good governance
- Treasury management

Furthermore, Members were asked about their skills e.g professional qualifications, previous committee experience and whether they feel able to challenge, evaluate data etc

The three additional questions added to the survey were:

- CIPFA's suggested size of an Audit Committee is between 6 and 8 Members. Audit and Governance Committee currently has 17 Members. What is your opinion on the size of the Audit and Governance Committee and does it hinder your ability to contribute to discussions?
- CIPFA recommends that Independent Members (not Councillors) who have knowledge and experience of Audit are introduced to the Audit and Governance Committee? What is your view on this?

- CIPFA discourages Executive Members sitting on the Audit Committee. What is your view on this?

Summary of Findings

Key Areas

Overall the majority of Members on the Audit and Governance Committee, that responded to the survey, have some or a good familiarity and knowledge of the role / functions of the Audit and Governance Committee and how it fits into the Governance of the Council. Although there are some specific areas e.g. Seven Principles, role of External Audit, Fraud Risk Management and Treasury Management where training would be beneficial to the whole Committee.

Skills

The responses to this section have highlighted potential gaps in the knowledge base of the Current Committee as no Member currently on the Audit and Governance Committee has a Professional Internal Audit Qualification or Risk Management Qualification.

Ability

The responses to this section show that Members, in the main, feel able to confidently contribute to Audit and Governance Meetings and challenge where necessary.

Additional Questions

Size of the Audit Committee

Of the 13 responses we received to this question, 9 of the respondents commented that the current size of the Audit and Governance Committee was too big, difficult for everyone to contribute and agreed a reduced number would be good.

Independent Members (Not Councillors)

Of the 14 responses to this question, 13 of the respondents supported the introduction of Independent Members to the Committee. The introduction of Independent Members should ensure any gaps in skills / knowledge are filled.

Executive Members

Of the 14 responses to this question, 9 of the respondents agreed that Members of the Executive should not be on the Audit and Governance Committee.

3. RECOMMENDATIONS

1. The size of the Committee is reduced to 11 Councillors.
2. Up to 2 Independent Members (not Councillors) are recruited to the Audit and Governance Committee.
3. Members of the Executive are excluded from sitting on the Committee.
4. A programme of training is developed to ensure Members of the Audit and Governance Committee are able to discharge their responsibilities confidently.

4. ALTERNATIVE OPTIONS

Not Applicable

5. FINANCIAL IMPLICATIONS

None

6. LEGAL IMPLICATIONS

None

7. RISK ASSESSMENT

If the recommendations are not supported there is a risk that Audit and Governance Committee will be non-compliant with CIPFA's Position Statement on Audit Committees in Local Authorities (2022).

8. EQUALITIES IMPACT

Not Applicable

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not Applicable

10. BACKGROUND PAPERS

10.1 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

10.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)

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ANNEX A

ID	Organisational Knowledge		Audit Committee Role and Functions			Governance		
	Please rate your understanding of the governance structures of the local authority and its decision-making processes.	Please rate your knowledge of the organisational objectives and major functions of the authority.	Please rate your understanding of the audit committee's role and place within the authority's governance structures.	Please rate your familiarity with the committee's terms of reference and accountability arrangements.	Please rate your knowledge of the purpose of the audit committee.	Please rate your knowledge of the seven principles of the CIPFA/Solace Framework.	Please rate your understanding of the requirements of the Annual Governance Statement (AGS).	Please rate your knowledge of how the principles of governance are implemented locally as set out in the local code of governance.
1	Some understanding	Some knowledge	Some understanding	Some familiarity	Some knowledge	Some knowledge	Some understanding	Some knowledge
2	Good understanding	Good knowledge	Good understanding	Good familiarity	Good knowledge	Good knowledge	Good understanding	Good knowledge
3	Some understanding	Some knowledge	Some understanding	Some familiarity	Good knowledge	Some knowledge	Some understanding	Some knowledge
4	Some understanding	Some knowledge	Some understanding	Some familiarity	Good knowledge	Some knowledge	Some understanding	Some knowledge
5	Good understanding	Good knowledge	Good understanding	Good familiarity	Good knowledge	Some knowledge	Good understanding	Some knowledge
6	No understanding	No knowledge	No understanding	No familiarity	Some knowledge	No knowledge	No understanding	No knowledge
7	Some understanding	Good knowledge	Some understanding	Some familiarity	Some knowledge	Some knowledge	Some understanding	Some knowledge
8	Good understanding	Good knowledge	Good understanding	Some familiarity	Good knowledge	Some knowledge	Some understanding	Some knowledge
9	Good understanding	Some knowledge	Good understanding	Good familiarity	Good knowledge	Some knowledge	Good understanding	Good knowledge
10	Good understanding	Good knowledge	Good understanding	Good familiarity	Good knowledge	Some knowledge	Some understanding	Good knowledge
11	Good understanding	Good knowledge	Good understanding	Good familiarity	Good knowledge	Some knowledge	Good understanding	Good knowledge

ID	Internal Audit				Financial Management and Financial Reporting			
	Please rate your awareness of the key principles of the Public Sector Internal Auditing Standards (PSIAS) and the Local Government Application Note (LGAN).	Please rate your knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.	Please rate your understanding of the most recent external assessment and level of conformance with the PSIAS.	Please rate your understanding of internal audit's strategy, plan and most recent annual opinion.	Please rate your awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.	Please rate your understanding of the good financial management principles set out in the FM Code, and the the level of the authority's compliance with it.	Please rate your knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016).	Please rate your understanding of the principal financial risks the authority faces.
1	Some awareness	Some knowledge	Some understanding	Some knowledge	Some awareness	Some understanding	Some knowledge	Some understanding
2	Good awareness	Good knowledge	Good understanding	Good knowledge	Good awareness	Good understanding	Good knowledge	Good understanding
3	Some awareness	Some knowledge	Some understanding	Some knowledge	Some awareness	Some understanding	Some knowledge	Some understanding
4	Some awareness	Some knowledge	Some understanding	Some knowledge	Some awareness	Some understanding	Some knowledge	Some understanding
5	Good awareness	Good knowledge	Some understanding	Good knowledge	Good awareness	Some understanding	Some knowledge	Some understanding
6	No awareness	No knowledge	No understanding	No knowledge	No awareness	No understanding	No knowledge	Some understanding
7	No awareness	No knowledge	Some understanding	Some knowledge	Some awareness	Some understanding	Some knowledge	Some understanding
8	Some awareness	Some knowledge	Some understanding	Some knowledge	Some awareness	Some understanding	Good knowledge	Some understanding
9	Some awareness	Good knowledge	Some understanding	Good knowledge	Good awareness	Good understanding	Some knowledge	Good understanding
10	Some awareness	Good knowledge	Some understanding	Good knowledge	Some awareness	Some understanding	Some knowledge	Good understanding
11	Some awareness	Good knowledge	Some understanding	Good knowledge	Good awareness	Good understanding	Good knowledge	Good understanding

ANNEX A

External Audit					Risk Management					
ID	Please rate your knowledge of the role and functions of the external auditor and who currently undertakes this role.	Please rate your knowledge of the key reports and assurances that external audit will provide.	Please rate your understanding of the auditor's most recent plan and opinion reports.	Please rate your knowledge about the arrangements for the appointment of auditors and quality monitoring undertaken.	Please rate your understanding of the principles of risk management, including how it supports good governance and decision-making.	Please rate your knowledge of the risk management policy and strategy of the organisation.	Please rate your understanding of risk governance arrangements, including the role of members and of the audit committee.			
1	Some knowledge	Some knowledge	Some understanding	Some knowledge	Some understanding	Some knowledge	Some understanding			
2	Good knowledge	Good knowledge	Good understanding	Good knowledge	Good understanding	Good knowledge	Good understanding			
3	Some knowledge	Some knowledge	Some understanding	Some knowledge	Some understanding	Some knowledge	Some understanding			
4	Some knowledge	Some knowledge	Some understanding	Some knowledge	Good understanding	Some knowledge	Some understanding			
5	Good knowledge	Good knowledge	Good understanding	Good knowledge	Some understanding	Some knowledge	Some understanding			
6	Some knowledge	No knowledge	No understanding	No knowledge	No understanding	No knowledge	No understanding			
7	Some knowledge	Some knowledge	Some understanding	Some knowledge	Some understanding	Some knowledge	Some understanding			
8	Some knowledge	Some knowledge	Some understanding	Some knowledge	Some understanding	Some knowledge	Some understanding			
9	Good knowledge	Good knowledge	Good understanding	Good knowledge	Good understanding	Good knowledge	Good understanding			
10	Some knowledge	Good knowledge	Some understanding	Some knowledge	Good understanding	Good knowledge	Good understanding			
11	Good knowledge	Good knowledge	Good understanding	Good knowledge	Good understanding	Good knowledge	Good understanding			
	Counter Fraud			Values of Good Governance			Treasury Management			
ID	Please rate your understanding of the main areas of fraud and corruption risk that the organisation is exposed to.	Please rate your knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014).	Please rate your knowledge of the organisation's arrangements for tackling fraud.	Please rate your knowledge of the Seven Principles of Public Life.	Please rate your knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (e.g. code of conduct).	Please rate your knowledge of the whistleblowing arrangements in the authority.	Regulatory requirements	Treasury risks	The authority's treasury management strategy	The authority's policies and procedures in relation to treasury management
1	Some understanding	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
2	Good understanding	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge
3	Some understanding	Some knowledge	Some knowledge	Some knowledge	Good knowledge	Good knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
4	Good understanding	Some knowledge	Good knowledge	Good knowledge	Good knowledge	Some knowledge	Good knowledge	Some knowledge	Some knowledge	Some knowledge
5	Some understanding	Some knowledge	Some knowledge	Good knowledge	Good knowledge	Good knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
6	No understanding	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge
7	Some understanding	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
8	Some understanding	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
9	Good understanding	Some knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge
10	Good understanding	Some knowledge	Good knowledge	Good knowledge	Good knowledge	Good knowledge	Some knowledge	Some knowledge	Some knowledge	Some knowledge
11	Good understanding	Some knowledge	Good knowledge	Good knowledge	Good knowledge	Some knowledge	Some knowledge	Good knowledge	Good knowledge	Good knowledge

ANNEX A

Skills										
ID	Professional accountancy qualification	Professional internal audit qualification	Risk management qualification	Practical experience of applying risk management	Knowledge of risks and opportunities associated with major activity areas	Legal qualification or knowledge of specific areas of interest to the committee, i.e. data protection, contract law etc.	Direct experience of managing or working in a service area similar to that operated by the authority	Previous scrutiny committee experience	Project management qualifications or knowledge of project management principles	Knowledge gained from management or development work in IT
1	Yes	No	No	No	Yes	No	No	No	No	Yes
2	No	No	No	Yes	No	Yes	No	Yes	Yes	No
3	No	No	No	No	No	No	No	Yes	No	Yes
4	No	No	No	No	No	No	No	No	No	No
5	No	No	No	No	No	No	Yes	Yes	Yes	No
6	No	No	No	No	No	No	No	No	No	No
7	No	No	No	No	No	No	No	Yes	No	Yes
8	No	No	No	No	No	No	No	No	No	No
9	Yes	No	No	No	No	No	No	Yes	No	No
10	No	No	No	Yes	Yes	No	No	Yes	No	No
11	No	No	No	Yes	Yes	No	Yes	Yes	No	No
Ability										
ID	Focus on material issues/overall position, rather than being side tracked by detail	Frame questions that draw out relevant facts and explanations	Challenge performance and seek explanations while avoiding hostility	Ensure there is a clear plan of action and allocation of responsibility	Understand the practical implications of recommendations to understand how they might work in practice	Support the use of plain English in communications, avoiding acronyms, jargon, etc.	To confidently evaluate information on the basis of evidence presented, avoiding bias or subjectivity	Chair meetings effectively if required: summarising issues, promoting active participation by all and focusing on the outcomes /actions from the meeting		
1	Always	Always	Always	Always	Sometimes	Always	Always	Sometimes		
2	Always	Always	Always	Always	Always	Always	Always	Always		
3	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes		
4	Always	Sometimes	Always	Always	Always	Always	Always	Sometimes		
5	Always	Always	Always	Always	Always	Always	Always	Always		
6	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Always	Always	Sometimes		
7	Always	Always	Always	Always	Sometimes	Sometimes	Sometimes	Always		
8	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes		
9	Always	Always	Always	Always	Always	Always	Always	Sometimes		
10	Sometimes	Sometimes	Sometimes	Sometimes	Sometimes	Always	Always	Always		
11	Always	Always	Always	Always	Always	Always	Sometimes	Always		

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ANNEX B

	CIPFA's suggested size of an Audit Committee is between 6 and 8 Members. Audit and Governance Committee currently has 17 Members. What is your opinion on the size of the Audit and Governance Committee and does it hinder your ability to contribute to discussions?	CIPFA recommends that Independent Members (not Councillors) who have knowledge and experience of Audit are introduced to the Audit and Governance Committee? What is your view on this?	CIPFA discourages Executive Members sitting on the Audit Committee. What is your view on this?
Audit and Governance Committee Responses			
1	Too big to provide suitable training and updating	Good idea but need to ensure political neutrality	No cttee needs to be independent of exec
2	No	It could be helpful to have expertise in place beyond those involved in party political process. However, the selection of independent members may be tricky.	Good to separate out some of the potential bias in scrutiny of executive actions.
3	I don't have a problem with 17 - I can ask questions and clarification when needed.	No problem with this, but they may be hard to find.	Agree - marking your own homework.
4	Happy with 17 but could split down to working parties for particular issues.	I think this would be good.	Yes, I agree. Some councillors may feel intimidated by executive and some executives may feel got at.
5	Too large, difficult for everyone to contribute	NO	Fully agree
6	I would think that 8 members would be a good number.	In principle , yes . Obviously "lay" members should not out-number elected ones	Probably a sensible policy
7	I don't think it is a hindrance	I am open to the suggestion	I don't see the necessity of a ban on executive members, they may be able to give important contributions
8	Happy to reduce the size of this committee in line with recommendation	This recommendation would give the committee greater transparency	I agree
9	The current size is large with some seats being filled just for numbers, a smaller more effective audit seems suitable	I am happy for independent individuals to attend and contribute	Completely agree
10	It seems quite large.....we have interesting discussions but I think several of us members are a bit lacking in the confidence/have read the very lengthy papers but had difficulty deciding the issues to take up	Sounds a sensible idea and worth trying to see how well it works out	Not sure that I have views either way

ANNEX B

11	I contribute. But it's common for a number of members to be silent all meeting.	It's right to follow CIPFA recommendations	I agree. The executive makes most of the decisions under this council structure. The consequences of their decisions are what gets audited, alongside general operations.
	CIPFA's suggested size of an Audit Committee is between 6 and 8 Members. Audit and Governance Committee currently has 17 Members. What is your opinion on the size of the Audit and Governance Committee and does it hinder your ability to contribute to discussions?	CIPFA recommends that Independent Members (not Councillors) who have knowledge and experience of Audit are introduced to the Audit and Governance Committee? What is your view on this?	CIPFA discourages Executive Members sitting on the Audit Committee. What is your view on this?
Non Audit and Governance Committee Responses			
1	I have not yet sat on Audit committee, but 17 sounds a lot	Yes, good idea for at least 1 or 2 members to be independent	I was on the Audit Committee as an Executive Member. I didn't see that there was a particular problem in terms of independence, particularly as the proceedings are live-streamed, and I declared an interest if the proceedings related to my portfolio in particular. I think it is good to have the perspective of at least one of the Executive Members on the committee, though if the workings of the committee are taken outside of livestreamed meetings then there could potentially be conflicts of interest in the future.
2	Needs to be reduced	Sounds sensible	Since they cannot sit on scrutiny, I would have thought executive members on audit was OK.
3		Yes if they have the Bandwidth of time to volunteer	No opinion either way

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and Date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024</p>
<p>Subject</p>	<p>EMPLOYEE CODE OF CONDUCT</p>
<p>Wards Affected</p>	<p>None.</p>
<p>Accountable Member</p>	<p>Councillor Mathew Parkinson – Chair of the Constitution Working Group. Email: mathew.parkinson@westoxon.gov.uk</p>
<p>Accountable Officer</p>	<p>Andrea McCaskie – Director of Governance. Email: andrea.mccaskie@westoxon.gov.uk</p>
<p>Report Author</p>	<p>Andrea McCaskie – Director of Governance. Email: andrea.mccaskie@westoxon.gov.uk</p>
<p>Purpose</p>	<p>To present a recommendation of the Constitution Working Group relating to the adoption of the Employee Code of Conduct and the Corporate and Individual Gifts, Hospitality and Sponsorship Process for the West Oxfordshire District Council workforce.</p>
<p>Annexes</p>	<p>Annex A – Employee Code of Conduct Annex B – Individual Corporate and Individual Gifts, Hospitality and Sponsorship Process</p>
<p>Recommendations</p>	<p>That the Committee Resolves to:</p> <ol style="list-style-type: none"> 1. Approve the adoption of the Employee Code of Conduct (Annex A) as part of the Constitution (Part 6N); 2. Approve the Corporate and Individual Gifts, Hospitality and Sponsorship Process (Annex B) as part of the Council's Constitution (Part 6O).
<p>Corporate Priorities</p>	<ul style="list-style-type: none"> • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/</p>	<p>WODC Retained Employees – (including Chief Executive, Director of</p>

Consultation	Finance, and Director of Governance).
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1. SUMMARY AND MAIN POINTS

- 1.1** As part of the review of the Council Constitution, it has been identified that there was a requirement to adopt an Employee Code of Conduct which was up to date with current legislation, policy, and guidance.
- 1.2** At its meeting on 9 January 2024, the Constitution Working Group agreed that the Council adopt the Employee Code of Conduct and the Corporate and Individual Gifts, Hospitality and Sponsorship Process as part of the Council's Constitution.
- 1.3** Publica has recently rewritten their Business Code of Conduct which has been consulted on by all relevant officers including Monitoring Officer, Head of Legal, Head of Counter-Fraud, Communications, IT and HR and adopted a Corporate & Individual Gifts, Hospitality and Sponsorship Process.
- 1.4** The Business Code of Conduct has also been approved by all recognised Trade Unions across the partner Councils and Publica.
- 1.5** It was therefore recommended that the Publica Code of Conduct and Corporate and Individual Gifts, Hospitality and Sponsorship Process were used as a basis for the West Oxfordshire District Council Employee Code of Conduct and Corporate and Individual Gifts, Hospitality and Sponsorship Process and the other partner Councils.
- 1.6** Decisions relating to the Officer Employee Code are part of the delegation to the Audit and Governance Committee, so they have responsibility for approval of the Code and Gifts & Hospitality Process.
- 1.7** Attached in Annex A is the Employee Code of Conduct and in Annex B the Corporate and Individual Gifts, Hospitality and Sponsorship Process for the West Oxfordshire District Council workforce. To ensure it covers what is required, other Council Code of Conducts have also been reviewed and all retained staff of the Council have been individually consulted on both documents.

2. RECOMMENDATION

- 2.1** It is recommended that the Council adopts the Employee Code of Conduct and the Corporate and Individual Gifts, Hospitality and Sponsorship Process.

3. FINANCIAL IMPLICATIONS

- 3.1** There are no direct financial implications arising from the recommendations.

4. LEGAL IMPLICATIONS

- 4.1** Adopting up to date policies ensures that they comply with relevant legislation and best practice guidance helping the Council manage employees more effectively in setting out the behaviours expected of employees. In addition, the Employee Code of Conduct supports the maintenance of the public confidence in Local Government demonstrating the highest levels of integrity and professionalism at all times.

5. RISK ASSESSMENT

- 5.1 By not updating and implementing new policies the Council may fail to comply with laws and regulations and leave itself exposed to costly employment law cases.

6. EQUALITIES IMPACT

- 6.1 The policies have been considered to ensure compliance with the Equality Act 2010 and the Public Sector Equality Duty. The policies apply equally across the West Oxfordshire District Council workforce.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 7.1 There are no climate and ecological impacts.

8. BACKGROUND PAPERS

The West Oxfordshire District Council Constitution can be found [on the Council's website](#).

(END)

Appendix A - Code of Conduct Policy

Revision date	Version	Description	Owner
30/11/2023	Version 1.0	Initial Policy	Monitoring Officer

I. Introduction

I.1 Why you must read our Code of Conduct

West Oxfordshire District Council expects every employee to behave in a highly professional manner. That's why you need to read and understand the Code of Conduct as it sets out the standards, we expect from you while you are at work.

I.2 What is the Code of Conduct?

The Code of Conduct is designed to provide guidance about what is expected from you in your daily work and in your dealings with elected members, colleagues, and the public.

As an employee of the Council you must be familiar with the Code of Conduct. This document forms part of your contract of employment and you are required to comply with its contents. Failure to do so may result in disciplinary action, up to and including dismissal.

For this reason, it is important that you read the whole of this document and ask your manager or Human Resources (HR) for clarification if there is anything in it that you don't understand and needs explaining.

Once you have signed and returned the acceptance section, it will be assumed that you understand its contents, agree to comply with your contract of employment, and all the rules and policies, etc that it refers to.

I.3 Who does it apply to?

The Code applies to all employees and anyone acting as an employee of the Council (to clarify - the use of the word 'employee' within this code includes permanent and temporary employees, casual workers, and agency staff).

Inevitably, some of the issues covered will affect some employees more than others. Although the Code does not directly apply to contractors, consultants or volunteers, the Council's continued association with these individuals and/or their organisations requires them to observe and comply with the Code. However, in some instances, compliance may be a condition of the contract between a third party and the Council, in which case their compliance with the Code would be binding.

I.4 Other Policies and Procedures

The various sections of the Code of Conduct summarise key Council policies and procedures in respect of behaviour and the ways in which you are required to work. If you are in any doubt about how they apply to you, you should always refer to the full policies and procedures. These can be accessed via the Council Portal, requested from your line manager or through the Council's HR team at HR@publicagroup.uk.

Acceptance Form

Once you have read and understood this Code of Conduct, please complete the form below and return this to HR@publicagroup.uk.

Please remember it is important that you read the whole of this document and ask your manager or HR for clarification if there is anything in it that you don't understand and needs explaining. Once you have signed and returned the acceptance section, it will be assumed that you understand its contents and agree to comply with your contract of employment and all the rules and policies, etc that it refers to.

I have read and understood the West Oxfordshire District Council Code of Conduct.

Name

.....

Signature

.....

Job Title

.....

Date

Your Manager:

.....

.....

2. Standards of Behaviour

The sections below, together with the seven principles which are set out in Section 28 of the Localism Act 2011, and which were originally set out by the Nolan Committee on Standards in Public Life contained in Annex A, set out the framework within which all employees must operate. Failure to do so may result in disciplinary action, including and up to dismissal.

2.1 Workplace behaviour and personal conduct

In summary, you are required to:

- Act with dignity and treat all others, including colleagues, elected members and members of the public with dignity and respect.
- Ensure your behaviour and performance meets workplace standards at any time that you are representing the Council or are likely to be identified or associated with your role as a public official (whether or not you are 'on duty' at the time).
- Ensure you are familiar with and follow the Council's rules, policies and procedures
- Be committed to delivering quality services to service users
- Work in accordance with the terms and conditions of your contract of employment and job description

2.2 Grievances

The Council encourages a culture in which you can raise any workplace problems, complaints, or concerns in a supportive framework. If you have a concern or grievance, you can use the Grievance Policy.

Most issues can be resolved informally, however, if an informal approach does not resolve matters, or is not appropriate, you may choose to raise a formal grievance.

Any employee who submits a grievance in good faith will not suffer any adverse consequences as a result of submitting the grievance. Should your allegation be found to be vexatious or a complaint which is falsely made, that is, it is not made in good faith or based on evidence, this may result in disciplinary action.

2.3 Reporting Absence

If you are unable to attend work for any reason, you must notify your manager by telephone as soon as reasonably practicable, but preferably before you are due to start work, providing your reason for absence to enable your manager to make alternative arrangements for your work to be covered if required.

If your manager is unavailable, you should contact the next most appropriate manager.

Notification of sickness absence must be via telephone, rather than text message, email, or social media. In exceptional circumstances, where the employee is unable to telephone (for example, because of hospitalisation), another person such as a relative or friend can contact the Council on their behalf.

Please refer to the Sickness Absence Policy for more information.

2.4 Misconduct

The Code of Conduct guides and assists employees acting in good faith. If, in your decisions, actions or conduct, you wilfully fail to comply with the standards outlined in the Code of Conduct, you will be guilty of misconduct and are likely to fall subject to disciplinary action, up to and including dismissal.

2.5 Learning and Development

As part of your employment with the Council you are obliged to participate in and complete a range of mandatory learning and development courses, including, but not limited to those found on your IHasco homepage.

You may also be required to participate in learning and development to develop your skills and knowledge to perform your job and improve the service we deliver as a Council and the communities we serve.

You are required to participate in an annual appraisal and performance review and reasonably engage in any plans for improving your work performance. If you are a manager, you are required to complete an annual appraisal for your direct reports.

2.6 Alcohol and Drugs

As an employee of the Council, you must not consume alcohol, use illicit drugs/legal highs or other illegal substances while at work and must not attend work under the influence of such substances.

There are times when you may attend a work event, such as an awards night, where alcohol is available. At these times, alcohol may be consumed with permission, however, you must remember that you continue to represent the Council.

The Council reserves the right to undertake a programme of random alcohol and drug testing.

Similarly, if you are taking legally prescribed or over-the-counter drugs, you must ensure that their use does not adversely affect your work performance and the safety of yourself and others. If you are concerned about prescription medicines, please speak to your GP and to your line manager to discuss any potential side effects.

If you are a manager, you will need to consider the options available for assisting employees who are required to take legally prescribed drugs and whose level of performance has been impaired. In these circumstances, a risk assessment should be undertaken with the assistance of the Occupational Health service.

2.7 Health & Safety

All employees have a personal and legal responsibility under the Health and Safety at Work Act 1974 for themselves, colleagues and visitors to Council buildings and premises.

These responsibilities are outlined in the Health and Safety policy. In summary, your legal duties as an employee are:

- To take reasonable care for the health and safety of yourself and others who may be affected by your actions or omissions at work.
- To co-operate with employers or other persons to enable you to perform your duties or requirements under the Act.
- To work in accordance with the health and safety training that you have been provided.
- To notify the Business Partner for health and safety in the workplace of any unsafe condition, hazard, or risk that you identify.

2.8 Equal Employment Opportunity and Workplace Diversity

We believe that a culture of equality, diversity and inclusion not only benefits our organisation but supports wellbeing and enables our people to work better because they can be themselves and feel that they belong.

As an employee of the Council, we expect you, and every one of our people, to take personal responsibility for observing, upholding, promoting, and applying Equality, Diversity, and Inclusion. Our culture is made in the day-to-day working interactions between us, so creating the right environment is a responsibility that we all share.

Any dealings that you have with colleagues, or third parties must be free from any form of discrimination, harassment, victimisation, or bullying.

If any of our people are found to have committed, authorised, or condoned an act of discrimination, harassment, victimisation or bullying, we will take action against them including (for those to whom it applies) under our Disciplinary Procedure.

2.9 Employee Appearance

Your dress style must reflect appropriate workplace health, safety, and security considerations applicable to your job and work environment. If you are attending a meeting with external parties or presenting a report at an Executive or Council meeting that is open to the public or broadcast on the internet, you should wear smart workplace clothing and avoid wearing attire that might be considered by an average member of the public to be too casual or too informal for the role you are fulfilling.

If you are required to wear Personal Protective Equipment (PPE) as part of your job role, you must ensure that this is worn and in compliance with the relevant Risk Assessment / Safe System of Work.

If you are required to wear a uniform as part of your role, you must ensure that this is worn during working hours. If you are wearing this uniform outside of the workplace, you should remember that during this time, you remain recognisable as an employee of the Council and therefore, you must ensure you comply with this Code of Conduct.

2.10 Driving on behalf of the Council

While driving Council or your own vehicle for work purposes, employees must comply with traffic legislation, be conscious of road safety and demonstrate safe driving and other good road safety habits.

You must hold a current driver's licence for the category of the vehicle you are driving and must upload this into business world on an annual basis. You must also have business cover on your insurance.

You must notify your line manager or HR if your driving licence has been suspended or cancelled, or has limitations placed upon it, including any penalty points.

The following actions while driving on Council business will be viewed as serious breaches of conduct and may lead to disciplinary action up to and including dismissal:

- Drinking or being under the influence of drugs while driving.
- Driving while disqualified or not correctly licensed.
- Reckless or dangerous driving causing death or injury.
- Failing to stop after a collision.
- Acquiring penalty points leading to suspension of licence.
- Any actions that warrant the suspension of a licence.
- Bringing the Council into disrepute.

Please note that this is not an exhaustive list and will depend on whether you are required to drive for business purposes.

2.11 Social and Environmental Protection

The Council has declared a climate emergency and is committed to doing our bit to address and help tackle the challenge of our generation: not only around climate but also the less well publicised biodiversity crises affecting our planet.

We must consider the environmental impact of the services we deliver and consider ways in which we can minimise these impacts such as through reducing consumption, waste minimisation, energy efficiency, technology and through procurement which takes into account the environmental impact of products and services and supports the purchase of sustainable products.

3. Protecting the Council and our Employees

3.1 Conflicts of Interest

A conflict of interest is any activity that is inconsistent with, or opposed to, our Council best interests or that gives the appearance of impropriety or divided loyalty. You must not place yourself in a situation within which you could derive or be perceived to derive personal benefit from actions of decisions made in your official capacity as an employee. This also applies to any perceived or actual benefit.

Some examples of conflicts (or perceived conflicts) between personal interests and our public duties as a Council which should be declared and, in some cases, avoided include:

- Employees who have access to computer databases of customers/updating their own personal records, or those of close relatives.
- Liaising with a supplier who employs one of your close relatives.
- Being contracted to provide services to the Council outside of your paid employment.
- Generating work which involves travel to provide an opportunity to visit friends.
- Involvement with an interview panel when a relationship exists with one of the applicants.
- Involvement in a procurement process where a relationship exists with one of the suppliers.
- If you or a close family member or business partner submit an application for Planning Permission, Listed Building Consent or similar.

If you are unsure about a personal conflict, talk to your manager or a member of the HR team in the first instance.

Additionally, you must not use your position to obtain favourable treatment for any individual with whom you have a significant relationship, this applies to both friends and family as well as any individual you may have a contractual relationship with – such as a landlord or employee. If any member of employee finds themselves in a position where they are dealing with a business matter which involves or is likely to involve a family member or other persons with whom, they have a significant relationship, they must take immediate advice from HR, Procurement or their Line Manager. For the avoidance of doubt nothing in the paragraph is intended to affect the refer a friend scheme.

If you believe you have a potential conflict involving a family member, or other individual, you also have an obligation to declare it as part of the annual declaration process. Completion of the annual declaration is mandatory for all employees.

3.2 Dealing with a Potential Conflict of Interest

Line Manager(s) together with HR are required to review any conflicts of interest that are declared and to determine whether any actions are required to mitigate the conflict. There may be occasions where the conflict is profound and acute. In such cases it may be necessary to consider a range of possible actions which may include, but not limited to:

- Deciding that no action is needed.
- Restricting the employee(s) involvement in discussions and excluding them from decision making.
- Removing the employee(s) from the whole decision-making process.
- Removing the employee(s) responsibility for an area of work.
- Removing the employee(s) from their role altogether if the conflict is so significant that they are unable to operate effectively in the role.

3.3 Confidential Information

As an employee of the Council, you may obtain, have access to or be responsible for Council information that has not been made public and is still confidential. You must never disclose information given in confidence by anyone, or information acquired which you believe is of a confidential nature, without the consent of a person authorised to give it or unless you are required to by law.

You must not prevent another person from gaining access to information to which that person is entitled by law. You must not disclose confidential information for your own personal use or for use by anyone else known to you, or to the disadvantage or the discredit of the Council or anyone else.

You must always observe the provisions of the Data Protection Act 2018, the Freedom of Information Act 2000, and the Council procedures for the release of personal information held about other employees or members of the public. Breach of confidentiality may be considered a disciplinary offence, which could result in dismissal.

When you leave your employment with the Council, you must still respect the confidentiality of official information that may have been available to you in the course of your duties and not use this information for private, commercial or political gain.

3.4 Data Protection

All employees, whether permanent or temporary, have a responsibility for the protection of data and are required to adhere to the Data Protection Policy, along with any associated procedures and to attend any associated training.

All information and data must be handled sensitively and processed in accordance with the Council Data Protection Policy. In particular, no employee shall divulge personal information regarding any employee, person or contractor, having dealings with the Council and information relating to tenders or other such issues.

All Employees must:

- Understand the main concepts within the UK General Data Protection Regulation ('GDPR') requirements, these include the six principles, 'Lawful basis for processing' and 'Right of an Individual.
- Identify and report any risks to the security of personal data processed by the Council to their line manager or the Information Asset Owner.
- Assist their customers/service users to understand their rights and the Council responsibility regarding UK GDPR.
- Identify and report any subject access requests to the Data Protection Officer (DPO) so that they can be processed in accordance with the UK GDPR requirements.

Under the Data Protection Legislation, individuals have the right to see their own personal data held subject to the rights of confidentiality of any third parties involved in that information. If you receive a request to see personal data, please refer to the Council Data Protection Officer for further information and contact data.protection@publicagroup.uk.

If you become aware of a data protection breach, this must be reported to the Data Protection Officer (DPO) via email at data.protection@publicagroup.uk or call 01993 861194.

This should be done at the earliest possible stage as the Council has a duty to report any personal data breaches to the Information Commissioners Office (ICO) with 72 hours of the breach.

If you are able to rectify the breach, this should be done immediately, however, the breach must still be reported.

3.5 Outside Employment and Voluntary Work

You must obtain permission from your manager before taking any other paid or unpaid employment or operate an outside business. Even with permission, you must not:

- Participate in an outside employment activity that could have an adverse effect on your ability to perform your duties at the Council or conflict with our work.
- Ensure that any additional employment does not conflict with the interests of the Council or affect your ability and credibility to do your job.
- Use any of our assets, including your ICT equipment, for your other job/business, unless that job or business is via a contract of the Council.

- Use your position to solicit work for you outside employer/business or to obtain favoured treatment.
- Use our confidential information to benefit your other employer, outside business or invention.

Voluntary work must be declared and must not conflict with your role or your ability and capacity to fulfil your contractual obligations to the Council.

3.6 Declaring Conflicts of Interest

To ensure that the Council is aware of any potential conflicts of interests, it conducts an annual employee declaration process, which requires employees to update their information and disclose any related party transactions. This is a mandatory requirement, and you are required to complete this form promptly when requested. You also have the ongoing duty to keep this information up to date and any changes throughout the year must be notified to the Business Manager for Governance.

3.7 Workplace Relationships and Management of Relatives

Personal and family relationships in the workplace may present an actual or perceived conflict of interest, particularly when one individual in the relationship is in a position to make or influence employment decisions regarding the other. Such as a relationship between a manager and a direct line report.

If you are in a personal relationship with a Colleague, Line Manager, Councillor, Contractor, or any other person working for or with the Council, we ask that this is declared through your annual employee declaration.

If you think the personal relationship in the workplace may create a conflict of interest or be perceived to create a conflict of interest, then you should raise this with your Line Manager initially with the aim of mitigating any potential conflict in a sensible and proportionate way. The Line Manager should seek guidance from HR where required. If you do not feel comfortable raising this with your Line Manager, this can be reported directly to HR or to an alternative Manager.

Where a former relationship causes an adverse impact or a conflict occurs, this should also be considered and declared or managed in the same way. If the individuals involved in the relationship do not believe that there is any conflict of interest, then no further action is required.

If there is any doubt, then advice should be sought from a Line Manager/HR.

Conflicts can occur in the following cases:

Line-management activity.

Recruitment, promotion or selection processes, including tutoring, mentoring and coaching.

Decisions relating to disciplinary, Unsatisfactory Performance Procedures (UPP) or grievance procedures.

Decisions related to pay or remuneration, including overtime.

Decisions regarding access to training or Continuing Professional Development (CPD).

Decisions (e.g. Deployment), that may lead to perception of unfairness by those involved in the relationship or by others.

If you find yourself in a situation where you may be in a position to influence an outcome relating to someone you have a personal relationship with, it is your responsibility to highlight this, failure to do so may result in disciplinary action being taken against you.

We expect you to act professionally when working with a relative or with someone with whom you are in a personal relationship with and not allow your relationship to disrupt the workplace or interfere with your work or judgement. You should seek advice from your manager or HR if there are any problems.

It is your responsibility to ensure you notify HR should your personal situation change, failure to do so may result in disciplinary action being taken against you.

3.8 Gifts Hospitality & Sponsorship

The Local Government Act 1972 states that an employee shall not “under colour of his office or employment accept any fee or reward other than their proper remuneration (i.e. salary/ pay)”

Therefore, you must not accept any fee or reward for work done or undertaken for the Council other than your pay and allowances as set out in your contract of employment without seeking prior approval.

If you have been invited by an outside organisation to attend a hospitality event, including but not limited to, breakfast, lunch, dinner, sporting event, seminar/conference, social or cultural event, and you wish to accept the offer, your acceptance must be authorised in advance by a manager.

You must not accept hospitality from any organisation that is likely to result in a conflict of interest in respect of decisions made by the Council, and other officers. This also applies where the invitation is considered to be personal but arises from a link with an organisation/contractor as a consequence of your role within the Council.

Any employee that is authorised to accept hospitality must remember that they are representing the Council and that all terms and conditions of service still apply.

It is an offence under the Bribery Act 2010 to accept gifts loans, fees, or rewards as an inducement to act in a certain way in your official capacity.

You must not accept payment from a third party that is known to be or suspected to be, offered with the expectation that it will obtain a business advantage or where such a business advantage will be provided in return by the Council.

You must be particularly sensitive to the timings of offers of gifts or hospitality in relation to decisions that the Council may have taken, or be about to take, which affect those providing the gift or hospitality.

A one-off gift of a low nominal value (less than £25) will generally be authorised for acceptance provided it does not compromise your position, or that of the Council. With regards to high value or regular gifts/offers of hospitality, it must be demonstrated there is a genuine business reason and/or need to accept any such offer.

If an external organisation wished, or is sought to sponsor a Council activity, the rules concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors. Where the Council wishes to sponsor an event, or service, employees or

members of an employee's family must not benefit until full disclosure of interest has been made and approved in advance by the CEO / Head of Paid Services.

All sponsorship and offers of hospitality, regardless of whether it is accepted or not must be recorded using the Gifts, Hospitality and Sponsorship Approval Form. Failure to do this may lead to disciplinary action up to and including dismissal.

Please refer to the Corporate and Individual Gifts, Hospitality and Sponsorship Process.

3.9 Bribery, Corruption and Fraud

The Council will not tolerate any instances of bribery, corruption, fraud, or theft. This includes abuse of position and will result in disciplinary action and may also result in criminal proceedings against you. Employees must ensure they are familiar with the Counter Fraud and Anti-Corruption Policy.

Contract and procurement fraud, both internal and external, is not acceptable under any circumstance. You must act with integrity and honesty in all your business activities, and you must be particularly vigilant if your role involves any of the following:

- Raising requisitions for goods and services;
- Authorising the procurement of goods and services;
- Writing of specifications or reviewing tenders for the supply of goods and services;
- Contract management or monitoring; or
- Amending or creating suppliers or customers in Business World.

3.10 Working with Contractors

If you have a relationship or a business, of a private nature with external contractors, or potential contractors, this must be disclosed to the appropriate manager and recorded on your annual declaration form. Refer to section 3.1 of this document.

Orders and contracts must be awarded on merit and by fair competition against other tenders. No special favours should be shown to business operated or controlled by, for example, friends, partners, or relatives in the tendering process. You must comply with the Contract Procedure Rules of the Council at all times.

3.11 Public Comment on Council Policy and Administration

It is important that enquiries from the news media are properly handled in order to maintain effective public relations and to protect the Council's reputation. As such, employees must not deal directly with the press or the media unless required to do so in the course of their work or they have been expressly authorised by the Communications and Marketing Team. Approaches from all press, radio, TV stations or specialist press for information or comment on issues affecting the work of the Council must be referred to the Communications and Marketing Team, who will discuss the nature of the story and then contact the appropriate officer or member asking them to respond. Any article, publication, or interview given on aspects of Council policy or activity must be properly authorised.

Any invitations to undertake lectures or presentations at conferences or seminars in the public domain, or any literature being produced for publication concerning any Council matter must be authorised by the Communications and Marketing Team.

It is important that no financial information is released by any employee. Please refer any such requests to the Director of Finance and Section 151 Officer.

Employees should not publicly express personal opinions on Council Policy, activity or administrations in a way that would bring the Council into disrepute.

3.12 Use of Social Media Accounts

You should be aware that social networking websites are public forums, and you should not assume that your entries will remain private. When communicating via social media you must not conduct yourself in a way that brings the Council or any employee or councillor into disrepute or disclose information that is confidential to the Council. If you do, even if your social media is a personal site, disciplinary action can still be taken, up to and including dismissal.

It is advised that unless required, you remove any connection to the Council from your personal social media sites and not state who you work for. It is understood that some sites, such as LinkedIn require employment details as the site is about increasing business connections, however, sites such as Facebook, Instagram and other similar sites should ideally not include references to your employment. This is both for Employee protection and to prevent potential disciplinary action.

You must not use your personal social media sites when conducting work for the Councils.

When using any social media platform, you must follow the guidelines set out in Annex B.

3.13 Personal Investments

Council employees must consider any personal investments they have which give rise to a conflict of interest if the Company in which the investment is held is transacting business with the Council. If a real or apparent conflict arises you must disclose the conflict to your manager. Your manager will help determine whether a conflict exists and, if appropriate, the best approach to eliminate conflict. Your manager may advise you to update your Employee Declaration Form.

3.14 Using the Council Money (Public Purse)

As public servants, you must ensure that public funds are spent in a responsible and lawful manner. You must strive to ensure value for money is realised and avoid legal challenge to the Council.

If you have responsibility for budgets and/or purchasing, you must ensure that you understand and comply with the relevant Standing Orders and Financial regulations.

As an employee of the Council you must adhere to the Procurement Policy, procedures and controls.

3.15 Side Deals or Side Letters

All the terms and conditions of agreements entered into by the Council, must be formally documented. Contract terms and conditions define the key attributes of the Council's rights, obligations, and liabilities and can also dictate the accounting treatment given to a transaction. Making business commitments outside the formal contracting process, through side deals, side letters, or otherwise is unacceptable. You must not make any oral or written commitments that create new agreements or modify existing agreements without obtaining approval through the formal contracting process.

3.16 Political Activities

You must ensure that your right to engage in political or professional activities does not result in an actual or perceived conflict of interest with your work and you should ensure that you are able, and be seen to be able, to remain unbiased in the performance of those duties. You must not allow your own personal or political opinions to interfere with your work and you must not use the Council assets (including work time, premises, equipment, or funds) to personally support candidates or campaigns.

Some posts are politically restricted. If you are employed in one of these posts, you must not undertake political activities either in or outside the workplace. Politically restricted employees will automatically be disqualified from standing for, or holding, political office and these restrictions are incorporated as terms in an employee's contract of employment under the legislation.

Employees who are politically restricted are:

- Barred from standing for office as any of the following:
 - Local Councillors (including Town/Parish Councillors).
 - Members of Parliament.
 - Members of the Welsh Assembly.
 - Members of the Scottish Parliament.
- Restricted from canvassing on behalf of a political party or a person who is or seeks to be a candidate.
- Not permitted to speak to the public at large or publish any written or artistic work that could give the impression that they are advocating support for a political party.
- Particular care should be taken with social media posts.

3.17 Working with Members

You must treat all political groups and individual Councillors equally, fairly and remain politically neutral at all times. You must provide professional, impartial, and effective support, to enable Councillors to fulfil their role, in and on behalf of, the Council.

You must not seek to influence or lobby a Councillor with regard to personal issues.

It is important that there should be good working relationships between senior officers and Leaders/Members of the Executive and Chairs of Committees. However, such relationships must not be allowed to become so close as to cast doubt either on an officer's ability to deal impartially with other Councillors, or the Councillor's ability to deal impartially with other employees.

3.18 Trade Union Representatives

If you are a workplace representative of a trade union or a professional association, you must ensure that when you make a public comment, it is clear that any such comment is made on behalf of the union or association you represent and not the Council. Provisions relating to time to undertake official union roles are outlined in the facilities agreement.

3.19 Closed Organisation

If you are a member of any organisation that is not open to the public and in respect of which secrecy about rules or membership or conduct exists you must disclose this on the Annual Employee Declaration.

3.20 Community Activities and Public Positions

The Council complies with all relevant laws and regulations and operates in ways that benefits the communities in which it serves. We encourage you to uphold this commitment to the community and your activities. If you hold an elected or appointed public office while employed at the Council you must disclose it as part of the Employee Declaration process. It is important that you do not get involved in any decisions that might create or appear to create a conflict of interest.

3.21 Criminal Charges, Convictions and Misconduct

You must conduct yourself in a professional manner at all times at work. Serious misconduct and/or criminal offences committed during or outside of working hours which bring you, or the Council into disrepute may be the subject of disciplinary action which could lead to dismissal. The Council requires all applicants for jobs to disclose all contraventions of, or failures to comply with, any provisions of law, whether committed in the UK or elsewhere, unless the Rehabilitation of Offenders Act 1974 applies, and the rehabilitation period has expired. In some circumstances, Disclosure and Barring Service (DBS) checks are conducted on successful applicants for certain positions in the Council.

Once you are an employee, you must notify the Council in writing if you are charged with any criminal offence, or if you are convicted of any offence. If you are charged with an offence, the notice must be given immediately after you are charged (i.e. the next working day). If you are convicted of an offence, the notification must be given immediately after you are convicted (i.e. the next working day). It should be noted that the term “conviction” includes a finding of guilt regardless of whether a conviction is recorded. Failure to notify the Council in either case will constitute grounds for disciplinary action.

3.22 Respecting the Council

We expect you to spend all of your contracted hours working for the Council. Computers and software (e.g. email, internet) may only be used in line with our guidelines. The use of Council property or facilities (stationery, photocopiers, etc.) for personal reasons is not acceptable. If you want to publish any material which you have written in connection with your role you must first gain the consent of your manager. If, in the course of your work, you create copyright work (for example a procedure manual or a software programme) a patented invention, or design capable of registration, this will become the property of the Council and you may be required to cooperate in the Registration Formalities.

3.23 Security

You must visibly display your Identification Badge at all times while you are on any Council premises. All employees are required to challenge anyone in an employee and/or secure area of the Council premises without either an Employee ID or Visitor’s Badge.

You must not allow any individual not displaying an ID Badge to follow (“tailgate”) you into any secure area of the Council premises.

If you come to work without your badge, you must report to the Council reception point to collect and use a temporary replacement. If you lose your ID Badge, you must report it immediately to your manager. You will be required to pay for a replacement.

If you have a visitor coming to see you at the Council premises, you must ensure that they sign in/out at reception and are issued with a visitor badge. You must ensure that they are escorted around the building whilst onsite.

3.24 Use of Information Technology

Employees must use any ICT equipment or facilities provided by the Council for use in the course of their employment in a proper and responsible manner. The Council is entitled to expect at least the same standard of care of its property as employees give to their own property.

Employees must adhere to the Council ICT Acceptable Use Policy and associated guides at all times. This Policy outlines the obligations on the part of Council employees and other contractors regarding the acceptable use of Council owned ICT devices and the steps the Council may take to ensure security compliance.

The content of the Council IT resources and communications systems are the property of the Council. Therefore, employees should have no expectation of privacy in any message, files, data, document, telephone conversation, social media post conversation or message, or any other kind of information or communications transmitted to, received, or printed from, stored, or recorded on the Council IT and communications systems.

The Council reserves the right to monitor, intercept and review, without further notice, an employee's use of the IT resources and communications systems, including but not limited to emails, social media postings and activities, to ensure that its rules are being complied with and for legitimate business purposes.

Failure to follow the ICT Acceptable Use Policy may lead to disciplinary action under the Council Disciplinary Policy.

3.25 Internal Audit, Counter Fraud and Risk and Opportunity Management

The Council is subject to Internal Audit services and Counter Fraud Inspections and Investigations. All employees have a responsibility to contribute to this work, and where actions have been agreed, and you are responsible for progressing that action, it is your responsibility to ensure it is addressed within the agreed timescale.

The Council has a risk and opportunity management framework. All employees have a role to play in the identification and assessment of risk and the implementation of controls, where applicable.

3.26 Reporting Breaches of the Code and Whistleblowing

If you are concerned about any practice you see in the Council which you think conflicts with the Code of Conduct, you should obtain advice from your Manager, Monitoring Officer or Trade Union representative, or any other appropriate person as identified in the Council policies referred to in the Code of Conduct.

The Public Interest Disclosure Act 1998 and Council Whistleblowing Policy can provide safeguards for employees and public officials who disclose unlawful and improper conduct including breaches of this Code.

Public Interest Disclosure / Whistleblowing concerns should be raised with a member of the HR Team, Internal Audit or the Counter Fraud and Enforcement Unit. Please refer to the Whistleblowing Policy for other ways to report concerns.

Any suspicion of money laundering must be reported in the first instance to the Director of Finance and Section 151 Officer. Please refer to the Council Proceeds of Crime and Money Laundering Policy for specific information.

3.27 The role of a Manager at the Council

As a manager, you have a responsibility to set a good example for employees through your own behaviour and attitudes, especially in relation to upholding the ethical principles, obligations, behaviours, and the standards as set in this Code of Conduct.

You should ensure that you understand your responsibilities under relevant financial, legal procurement, technological, human resources, and other relevant policies and procedures, maintaining the principles of accountability, continuous improvement, fairness, flexibility, and equity in the workplace.

You should ensure that employees understand performance standards expected from them and objectively assess their performance against these standards. This should be achieved through the Council appraisal process and regular one-to-ones. As a Manager, you must ensure that your employee received an annual appraisal, which is reviewed as part of your one-to-one meetings. If an employee is not meeting the expected performance standards, you should refer to the Performance Improvement Procedure.

You must ensure that relevant legislation, delegations, and Council policies and procedures are accessible to all employees in your business area, and that both yourself, and they understand their obligations under this Code of Conduct.

You should ensure that all employees who report to you are familiar with the requirements and objectives of their job, and have access to the information, training, supervision, feedback, and work conditions needed to achieve them.

You are required to act promptly, thoroughly, and fairly when responding to, or investigating grievances and reports of breaches of the Code of Conduct. To avoid any accusation of bias, you must not be involved in the appointment of any applicant if you are a relative or friend to them.

Similarly, you must not be involved in decisions relating to discipline, promotion or pay adjustments for any employee who is a relative, partner or friend. If you are in any doubt, you should discuss the matter with your manager.

Nolan Principles

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Social Media Guidelines

There is often a fine line between the use of social media as a work tool and your personal use as an individual outside of your work role. Sometimes your opinions may conflict so you must take care to separate the two when that happens.

The Council recognises that many employees make use of social media in a personal capacity. While you may not be acting on our behalf, you must be aware your actions can damage the Council if you're recognised as being one of our employees.

If you use social networks or blogs for personal use and have indicated that you work at the Council, you should consider using a disclaimer that states that opinions on this site are your own. An example: 'The views expressed are my own and don't reflect the views of my employer.'

When posting on social media you should:

1. Always be mindful of the impact your contribution might make to our reputation.
2. Remember you are personally responsible for all content you publish.
3. Not upload, post or forward any content that is abusive towards your colleagues, members of the public or the Council as an organisation. It could result in disciplinary action if you do. This includes any content that is abusive, obscene, discretionary, harassing, derogatory or defamatory.
4. Never disclose commercially sensitive, anti-competitive, private, or confidential information. Also, do not breach copyright, for example by using someone else's images or written content without permission.
5. Be aware that what you publish will be around for a long time so consider the content carefully and also be sensible about disclosing sensitive details.
6. Remember that social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. You must refer these enquires to the Communications team.
7. Be conscious that our reputation is made by your behaviour. Everything you publish reflects how we are perceived. Please ensure you're aware of our values and reflect these.
8. Ensure that if you identify that inaccuracies about the Council have been published in a public forum, you may politely and sensitively point out the factual inaccuracies but should refrain from entering into a debate. You should also advise the Communications team that you have identified information that is inaccurate or could damage our reputation.
9. Ensure compliance with data protection legislation – for example moving the discussion to private message (Facebook) or direct message (Twitter) when personal details need to be discussed. Alternatively, ask them to contact us another way e.g. telephone.
10. Block, hide or ban abusive users.
11. Pay particular attention during the pre-election periods, when special care needs to be taken to ensure that any content you post, share or like is not seen as promoting any political group or individual candidate.
12. Consider the privacy settings on your social media accounts if you are in a public facing role where your name may be published as part of your job. Consider limiting access to your profiles so that people cannot look up your personal accounts and information.

You must not use your personal social media sites when conducting work for the Council. Where the internet or social media is required for enforcement purposes, please refer to the Use of the Internet and social media for Investigations and Enforcement Policy.

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APPENDIX B - Corporate and Individual Gifts, Hospitality and Sponsorship Process

Introduction

In accordance with West Oxfordshire District Council's ('the Council's') Employees Code of Conduct and the Local Government Act 1972, employees shall not "under colour of his office or employment accept any fee or reward other than their proper remuneration (i.e. salary/ pay)". As such, you must not accept any fee or reward for the work you do other than your pay and allowances as set out in your contract of employment without seeking prior approval.

Information is collected to support compliance with The Bribery Act 2010, Data Protection Legislation and the Council Counter Fraud and Anti-Corruption Policies. It is an offence under the Bribery Act 2010 to accept gifts, loans, fees or rewards as an inducement to act in a certain way in your official capacity.

Information provided will be managed by the Business Manager, Governance in Publica and access will be restricted and may only be viewed by authorised officers (those who can authorise the acceptance of gifts, hospitality & sponsorship) and the attendees of the Council Governance Group which includes the Monitoring Officer, Audit, and Counter-Fraud. The Governance Group will monitor compliance as a standard agenda item. The Council may choose to publish information and will have to comply with any requests for information under the Freedom of Information Act 2000 or Environmental Information Regulations 2004 and deal with requests from other bodies such as the police and regulatory agencies, in those circumstances.

This process sets out what you as an employee are required to do if you are offered a gift, hospitality, or sponsorship in the capacity of your office or employment, whether you intend to accept or not.

Scope

This policy applies to all employees of the Council at West Oxfordshire District Council. This process should be read in conjunction with the Code of Conduct and Council constitution.

Definitions

Definitions of corporate hospitality, gifts, hospitality or sponsorship can include a wide range of benefits, below are some examples of what would be covered under this process.

Please note that this is not an exhaustive list.

Gift

Any item of cash or goods, or any service, which is provided for personal benefit, free of charge or at less than its commercial value. Examples could include flowers, alcohol, chocolates, vouchers, discounts, or cash. Employees are often given branded / promotional gifts from suppliers, such as notebooks, calendars and pens. As these have a nominal value, these can be accepted without declaration.

Individual Hospitality

Offers of meals, beverages, travel, accommodation, and other expenses in relation to attendance at meetings, events, conferences, award nights, education, and training etc. Typical examples could include business meals, client trips, free invites to conferences, seminars, cultural and sporting events.

Corporate Hospitality

Offers of gifts and / or hospitality to all employees of the Council. This is likely to be something that would be a one-off offer to all employees, and typical examples would include free tickets to sporting events, and local events taking place in our District.

Sponsorship

Support (financial or otherwise) of Council activities by an external body.

What should you do if you are offered any of the above?

Accepting a gift and / or hospitality

- Individuals should not accept gifts and / or hospitality that may affect or be seen to affect their professional judgement. This overarching principle should apply in all circumstances.
- As a Public Body, it is essential that members of the public have confidence in the integrity, impartiality, and honesty of employees. Any gifts, hospitality and sponsorship arrangements should ensure this position is not jeopardised.
- Individuals should not accept payment, gift and / or hospitality from a third party that is known to be, or suspected to have been, offered with the expectation that it will obtain a business or any other advantage for them from the Council. Employees should be aware that it is a criminal offence under the Bribery Act 2010 to accept a bribe.
- Gifts from organisations involved in an active tender process must never be accepted.
- Under no circumstances are individuals allowed to accept personal gifts of cash or cash equivalents e.g., gift vouchers, or token offers of remuneration to attend meetings whilst in a capacity of working for or representing the Council, whatever their value and whatever their source.
- Modest gifts and / or hospitality of a value of £25 or under, may be accepted, however they must be declared on the gifts, hospitality, and sponsorship register. A common-sense approach should be applied to the valuing of gifts (using an actual amount, if known, or an estimate that a reasonable person would make as to its value).

- Individuals should not ask for any gifts or hospitality.
- Employees are advised to consult with the Monitoring Officer or with the Business Manager for Governance, if they are unsure as to whether to accept any offers of gifts and / or hospitality.
- If the gift and / or hospitality is also offered to a family member, such as an invite to you and your partner to attend an event, you must seek advice from the Monitoring Officer / Business Manager for Governance.
- Gifts and / or hospitality at a value of over £25 should be treated with caution and only accepted on behalf of the Council and not in a personal capacity. Acceptance of a gift over £25 must be approved. Please see approval below.
- Multiple gifts and / or hospitality from the same source over a 12-month period should be treated in the same way as single gifts over £25 where the cumulative value exceeds £25.
- Whether a gift and / or hospitality is accepted or not, it must be declared on the gifts, hospitality, and sponsorship register.

To complete the register in relation to gifts and /or hospitality with a value of £25 or under – click [here](#)

Approval Process for Gifts and / or Hospitality

For any gifts and / or hospitality over £25, approval must be obtained prior to acceptance. In the first instance, your request should be emailed to employee.gifts@publicagroup.uk detailing the following information:

- Your name
- Job Title
- Place of work
- Detail of the gift and / or hospitality offered, by whom, the reason why this has been offered / context of offer, estimated value and why you wish to accept the offer.

The Business Manager, Governance will then seek the required authorisation from the Council. Authorisation can be provided by:

Councils: Chief Executive, Section 151 Officer or Monitoring Officer

If one of the Management who is an authorising officer has been offered gifts and / hospitality, authorisation can be provided by another authorising officer. For example, where the request is from the Chief Executive, authorisation can be given by the Monitoring Officer and / or Section 151 Officer of the Council.

Once approval has been obtained, you will be notified and must complete the register in relation to gifts and /or hospitality – click [here](#).

Corporate Hospitality

If a company and / or individual offers Corporate Hospitality or gifts, before this is offered to employees, it must be approved by the Management Team.

In the first instance, this should be sent to the Business Manager, Governance, who can coordinate the authorisation process and register this onto the gifts, hospitality, and sponsorship register.

Once approved, this can then be communicated to employees and should an employee wish to take up the offer e.g., a free ticket to a sporting event, they must declare this on the gifts, hospitality, and sponsorship register.

Sponsorship

Where an outside organisation wishes to sponsor or is asked to sponsor a Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts and / or hospitality apply. As a Public Body, it is essential that members of the public have confidence in the integrity, impartiality and honesty of employees. Any sponsorship arrangements should ensure this position is not jeopardised.

Particular care must be taken when dealing with contractors or potential contractors (i.e. contractors who could bid for Council work). If you are unsure, please speak to the Procurement Team in relation to contractors.

Where the Council wishes to sponsor an event or service neither you nor any person connected with you must benefit personally from such sponsorship in any way. Employees should seek guidance and inform the Council if they are involved with any event or service that the Council proposes to sponsor.

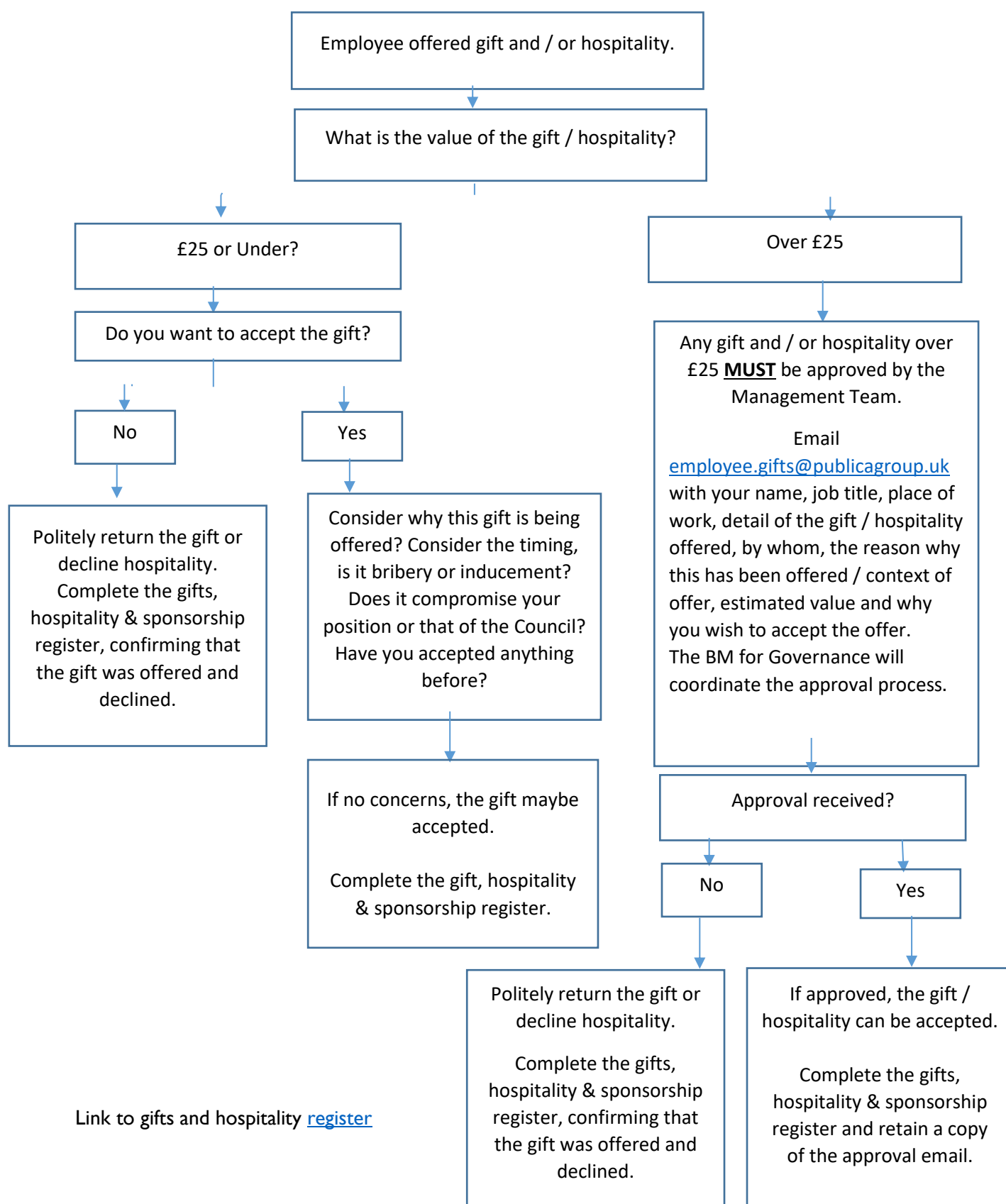
Similarly, where the Council through sponsorship, grant aid, financial or other means, gives support in the community, you should ensure that impartial advice is given and that there is no conflict of interest involved with your work as an employee and any outside interests.

In all cases of sponsorship, there must be full disclosure of the proposed arrangements and consultation with the Management Team at an early stage. In each arrangement for sponsorship, care shall be given to recording the arrangement and the decision-making process so that there is a clear audit trail for the purposes of transparency and accountability and as well as a declaring this on the gifts, hospitality, and sponsorship register.

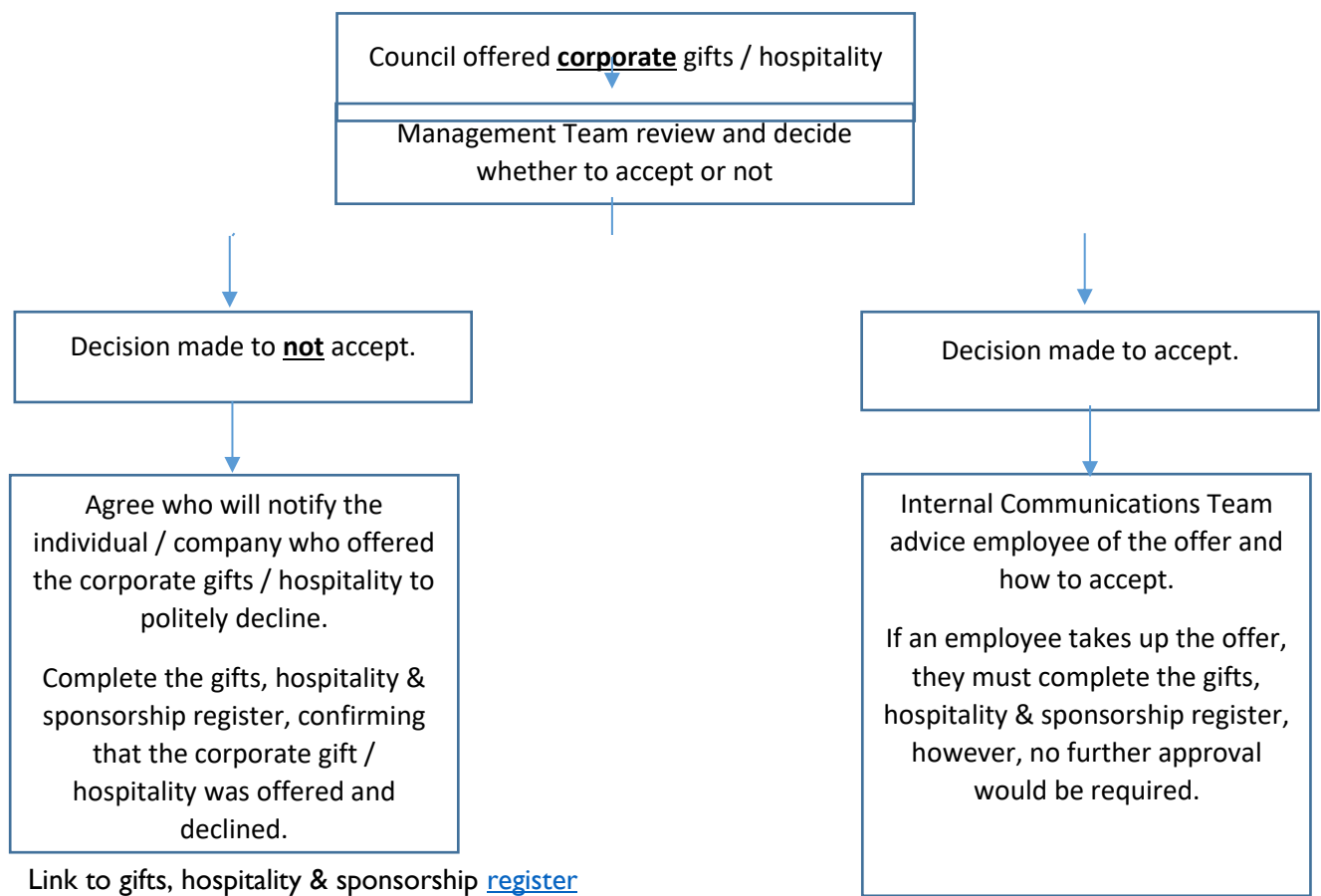
Remember


All sponsorship and offers of gifts and / or hospitality, regardless of whether it is accepted or not, or authorised or not, **must** be recorded using the Gifts, Hospitality and Sponsorship Approval Form. Failure to do this may lead to disciplinary action up to and including dismissal.

The acceptance of Gifts and / or Hospitality Flowchart



The acceptance of corporate gifts / hospitality



 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024</p>
<p>Subject</p>	<p>2023/24 TREASURY MANAGEMENT INDICATORS – QUARTER THREE</p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Cllr Alaric Smith Cabinet Member for Finance Email: alaric.smith@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk</p>
<p>Report author</p>	<p>Sian Hannam, Treasury Accountant Email: sian.hannam@publicagroup.uk</p>
<p>Summary/Purpose</p>	<p>To report to the Audit and Governance Committee the quarter three Treasury Management Indicators as required by the CIPFA Treasury Management Code.</p>
<p>Annexes</p>	<p>Annex A - West Oxfordshire Council Fund Summary – March 2024</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee Resolves to: I. a) Note the contents of the report</p>
<p>Corporate priorities</p>	<p>Working Together for West Oxfordshire</p>
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/ Consultation</p>	<p>N/A</p>

1. BACKGROUND AND SUMMARY

- 1.1** The overall performance of investments in the 9 months to 31st December 2023 was positive, returning interest of £1,243,599 or 5.31% against an annual revenue budget of £1,102,228 and also generating an unrealised capital gain of 3.26% or £403,652 in the year to date.
- 1.2** The capital value of pooled funds continues to be affected by prevailing economic conditions in the world markets. Pooled funds are intended to be long term investments where short term fluctuations in the capital value are expected. These funds are being monitored closely by the Council's Treasury Management adviser (Arlingclose) and they continue to forecast that the capital values will recover over the next 2-3 years as gilts and bond revenue rates start to decline again.
- 1.3** The Council has continued to benefit from higher revenue returns due to regular increases in the Bank of England Bank Rate to combat high levels of inflation. The Bank base rate reached 5.25% in August 2023 and has remained there to date.
- 1.4** The Council complied with most of the Prudential Indicators for 2023/24 as set out in the budget approved by full Council in February 2023. Further details can be found in section 8 of this report with the one exception to the Prudential Indicators being explained in 8.7.
- 1.5** At the Audit and Governance meeting in November 2023, where the Treasury Management Mid Term Report was presented, the committee requested information with regards to how ethical the Council's investment portfolio was. This information is included in Annex A.

2. ECONOMIC & FINANCIAL MARKETS BACKGROUND

- 2.1** UK inflation rates finally started to decline, mirroring the sharp but earlier drop seen in the Eurozone and US. Despite the fall, the Consumer Price Index (CPI) remained substantially in excess of the Bank of England's (BoE) 2% target, at 3.9% for November 2023. Market expectations for further rises in Bank Rate fell from October through to year end, indicating that the 5.25% level reached in August 2023 was indeed the peak for the base rate.
- 2.2** Economic growth in the UK remained weak over the period, edging into recessionary territory. In calendar Q3 2023, the economy contracted by 0.1%, following no change in Q2. Monthly GDP data showed a 0.3% contraction in October, following a 0.2% rise in September. While other indicators have suggested a pickup in activity in the subsequent months, Q4 GDP growth is likely to continue the weak trend.
- 2.3** July data showed the unemployment rate increased to 4.2% (3mth/year) while the employment rate rose to 75.7%. Pay growth edged lower as the previous strong pay rates waned; total pay (including bonuses) growth was 7.2% over the three months to October 2023, while regular pay growth was 7.3%. Adjusting for inflation, pay growth in real terms was positive at 1.3% and 1.4% for total pay and regular pay respectively.
- 2.4** Inflation continued to fall from its peak as annual headline CPI declined to 3.9% (down from 4.6%) in November 2023. The largest downward contribution came from energy and food prices. The core rate also surprised on the downside, falling to 5.1% from 5.7%.

- 2.5** The BoE's Monetary Policy Committee held the Bank Rate at 5.25% throughout the period, although a substantial minority continued to vote for a 25 basis point rate rise. The Bank continues to tighten monetary policy through asset sales, as it reduces the size of its balance sheet. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data showed that higher interest rates were working in the UK, US, and Eurozone.
- 2.6** Following the December Monetary Policy Committee (MPC) meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. Short term risks are broadly balanced, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.
- 2.7 The US and Eurozone** - The US Federal Reserve held its key interest rate at 5.25-5.50% over the period. While policymakers continued to talk up the risks to inflation and therefore interest rates, this stance ebbed over the quarter culminating in a conciliatory outcome from the December Federal Open Market Committee (FOMC) meeting.
- 2.8** The European Central Bank continues to resist market policy loosening expectations, but the Eurozone CPI rate has fallen sharply as GDP growth as markedly slowed, hitting 2.4% in November (although rising to 2.9% on energy-related base effects).
- 2.9 Financial markets** - Financial market sentiment and bond yields remained volatile, but the latter rapidly trended downwards towards the end of 2023 on signs of sharply moderating inflation and economic growth.
- 2.10 Credit review** - Arlingclose maintained the advised maximum duration limit for all banks on its recommended counterparty list to 35 days over the period.
- 2.11** In October, Moody's revised the outlook on the UK's Aa3 sovereign rating to stable from negative. This led to similar rating actions on entities that include an element of government support in their own credit ratings, including banks and housing associations. Local authorities were, however, downgraded on expectations of lower government funding.
- 2.12** Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

3. LOCAL CONTEXT

- 3.1** On 31st March 2023, the Council had net investments of £37.374m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These items are summarised in Table I below.

Table 1: Balance Sheet Summary

	31.3.23 Actual £m	31.3.24 Forecast £m
General Fund CFR	28.38	31.30
External borrowing	(5.01)	-
Internal borrowing	23.37	31.30
Less: Balance sheet resources	(39.28)	(38.27)
Net investments	(15.91)	(6.97)

- 3.2** The treasury management position at 31st December and the change over the nine months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.12.23 Balance £m	31.12.23 Rate %
Short-term borrowing	5.013	(5.013)	0	N/A
Total borrowing	5.013	(5.013)	0	
Long-term investments	13.375	0.364	13.739	4.85
Short-term investments	0.064	3.936	4.000	5.31
Cash and cash equivalents	8.159	6.841	15.000	5.31
Total investments	21.598	11.141	32.739	5.12
Net investments	16.585	16.154	32.739	

4. BORROWING STRATEGY AND ACTIVITY

- 4.1** As outlined in the Treasury Management Strategy, the Council's chief objective when borrowing has been to strike a low-risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required. Flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy thus far has maintained borrowing and investments below their underlying levels, known as internal borrowing.
- 4.2** CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decisions that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. Public Works Loan Board (PWLB) loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

- 4.3** At 31st December 2023, the Council had no loans outstanding, a decrease of £5m from 31st March 2023, The Council's borrowing position at 30th September is summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m
Local authorities (short-term)	5.013	(5.013)	0
Total borrowing	5.013	(5.013)	0

5. TREASURY INVESTMENT ACTIVITY

- 5.1** A counterparty list recommended and reviewed by the Council's treasury management advisors, Arlingclose is received monthly and the treasury team use this to evaluate investment options. At the end of the period most counterparties remained on a 35 day limit maintaining precautions brought about by uncertainty in the market. The treasury team continues to hold most in-house balances in the liquid Money Market Funds and Call Accounts and making short term deposits with the UK Debt Management Office (DMO). This enables continued cash support for services the Council provides to the public and provides funding for the Council's capital programme, without the need to borrow.
- 5.2** The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m	31.12.23 Income Return %
Banks & building societies (unsecured)	3.843	(0.843)	3.000	5.38
Bank of England DMADF		1.000	1.000	5.19
Money Market Funds	4.316	10.684	15.000	5.35
Other Pooled Funds				
- <i>Equity & Multi Asset income funds</i>	8.884	0.218	9.102	4.85
- Bond income funds	3.555	0.122	3.677	4.85
- <i>Real Estate Investment Trusts</i>	1.000	(0.030)	0.970	2.85
Total investments	21.598	11.151	32.749	5.12

- 5.3** Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4** As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.
- 5.5** The progression of risk and return metrics are shown in the Arlingclose quarterly investment benchmarking report; the results of which are summarised in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2023	3.92	AA-	61%	4	-1.07
30.09.2023	4.32	AA-	60%	7	6.39
30.12.2023	4.67	A+	95%	2	6.73
Similar LAs	4.81	A+	57%	54	5.12
All LAs	4.8	A+	60%	11	4.95

- 5.6** Externally Managed Pooled Funds: £14m of the Council's investments are invested in externally managed strategic pooled bond, equity, and multi-asset funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £484,706 which is used to support services in year, and a £403,652 unrealised capital gain. The current Pooled Fund position can be seen in table 6 below.

Table 6: Current Pooled Funds

Fund Manager	Original Investment	Value 31st March 2023	Value 31st December	9 Month Dividend 2023/24	2023/24 Capital Gain/(Loss)	Capital Gain/(Loss) vs Original Investment
	£	£	£	£	£	£
UBS (B/E)	2,000,000	1,466,810	1,471,524	72,280	4,714	- 528,476
M&G Strategic (B)	2,000,000	1,752,651	1,835,671	62,391	83,020	- 164,329
Royal London (L)	2,000,000	1,784,670	1,841,786	55,730	57,116	- 158,214
Schroders €	1,000,000	886,450	890,678	51,939	4,228	- 109,322
Threadneedle UK €	1,000,000	1,053,841	1,088,528	28,163	34,687	88,528
CCLA Diversified Fund (B/E)	3,000,000	2,771,963	2,891,185	75,764	119,222	- 108,815
Aegon/Kames (L)	3,000,000	2,659,023	2,759,688	138,439	100,665	- 240,312
Total - Current funds	14,000,000	12,375,408	12,779,060	484,706	403,652	-1,220,940

(L = Liquidity; B= Bond; E= Equity)

5.7 The combination of falling inflation and the expectation of interest rate cuts has had a positive effect on the combined value of the Authority's strategic funds since March 2023. The capital values of the Authority's equity, multi-asset and longer-dated bond funds improved and are now above their price on 31st March 2023, as shown in table 6.

5.8 In April 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override is due to end on 31st March 2025 and is identified as a key risk in the Medium Term Financial Strategy (MTFS). The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

6. TREASURY PERFORMANCE

6.1 The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 7.

Table 7: Performance

	Q3 Actual £m	2023_24 Budget £m	Over/ under	Actual %	LA's Average Benchmark %	Over/ under
Short-term investments	0.138	0	0.138	5.31	5.08	0.23
MMF & Call Accounts	0.451	0.162	0.289	5.31	5.08	0.23
Strategic Funds	0.485	0.629	-0.144	4.85	4.86	-0.01
Long Term Loans	0.149	0.28	-0.131	2.84	N/A	N/A
REIT	0.021	0.031	-0.010	2.85	N/A	N/A
Total treasury investments	1.244	1.102	0.142	5.12	5.04	0.08

7. COMPLIANCE

- 7.1 The Director of Finance reports that all treasury management activities undertaken during the quarter complied with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 8 below.

Table 8: Investment Limits

	2023/24 Maximum £m	31.12.23 Actual £m	2023/24 Limit £m	Complied? Yes/No
Any single organisation, except the UK Government	3	0	5	YES
Any group of organisations under the same ownership	3	0	5	YES
Any group of pooled funds under the same management	0	0	5	YES
Limit per non-UK country	0	0	1	YES
Registered providers and registered social landlords	9.8	9.72	10	YES
Unsecured investments with banks	3	3	10	YES
Money Market Funds	15	15	25	YES
Strategic pooled funds	14	14	25	YES
Real Estate Investment Trusts	1	1	5	YES

- 7.2 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 9 below.

Table 9: Debt and the Authorised Limit and Operational Boundary

	Q3 2023/24 Maximum	31.12.23 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied? Yes/No
	£m	£m	£m	£m	
Borrowing	0	0	50.06	55.06	YES
Total debt	0	0	50.06	55.06	

- 7.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

8. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 8.1 As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.
- 8.2 **Liability Benchmark** – This indicator compares the Council’s existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is a valuable tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £4m required to manage day-to-day cash flow.

	31.3.23 Actual	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	28.38	30.74	33.58	35.19
Less: Balance sheet resources	(39.28)	(37.51)	(35.71)	(31.63)
Net loans requirement	(10.90)	(6.77)	(2.13)	3.56
Plus: Liquidity allowance	14.00	14.00	14.00	14.00
Liability benchmark	3.10	7.23	11.87	17.56
Existing borrowing	5.01	0.00	3.50	6.85

- 8.3 Long-term Treasury Management Investments: The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£20m	£20m	£20m	£20m
Actual principal invested beyond year end	0	n/a	n/a	£15m
Complied?	YES	YES	YES	YES

8.4 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

8.5 Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2023/24 Target	31.12.23	Complied?
Portfolio average credit rating	A-	A+	YES

8.6 Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. Bank Rate rose by 1.25% from 4.25% on 1st April to 5.25% in August, it remained at this level as at 31st December.

Interest rate risk indicator	2023/24 Target	31.12.23 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	-135,000	- 460,548	No
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	135,000	460,548	No

8.7 Due to the lack of capital expenditure and £3m received in advance from the Ministry of Defence for their annual Business Rates liability, the weighted average on variable rate investments (MMFs) has been higher than originally forecast and we have generated more interest income.

9. NON TREASURY MANAGEMENT PRUDENTIAL INDICATORS

9.1 The Authority measures and manages its capital expenditure, borrowing and service investments with references to the following indicators.

9.2 It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

9.3 Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

	2022/33 Actual	2023/24 Forecast	2024/25 budget	2025/26 budget
General Fund services	15.29	9.44	7.20	4.77

9.4 The Capital Strategy approved in February 2024 has reduced the level of capital investment over the life of the MTFs until interest rates have fallen sufficiently for the cost of capital for projects to be affordable. The capital, treasury management and investment strategies have all been updated as part of the 2024/25 budget setting process.

9.5 **Capital Financing Requirement:** The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP) / loans fund repayments and capital receipts used to replace debt.

	31.03.2023	31.03.2024	31.03.2025	31.03.2026
	actual	forecast	budget	budget
General Fund services	17.78	20.14	22.98	24.59
Capital Investments	10.60	10.60	10.60	10.60
TOTAL CFR	28.38	30.74	33.58	35.19

9.6 **Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.03.2023 actual	31.03.2024 forecast	31.03.2025 budget	31.03.2026 budget	Debt at 31.12.2023
Debt (Incl.PFI & leases)	5.013	0.00	3.50	6.85	0
Capital Financing Requirement	28.38	30.74	33.58	35.19	

9.7 **Debt and the Authorised Limit and Operational Boundary:** The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each

year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum debt H1 2023/24	Debt at 31.12.23	2023/24 Authorised Limit	2023/24 Operational Boundary	Complied? Yes/No
Borrowing	5.013m	0	55.06m	50.06m	Yes
Total Debt	5.013m	0	0	0	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

- 9.8 Net Income from Commercial and Service Investments to Net Revenue Stream:** The Authority’s income from commercial and service investments as a proportion of its net revenue stream is indicated below.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Total net income from service and commercial investments	4.25m	3.53m	5.06m	5.06m
Proportion of net revenue stream	30.56%	23.29%	33.21%	32.71%

- 9.9 Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue.

- 9.10** The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Financing costs (£m)	0.420m	0.515m	0.648m	0.894m
Proportion of net revenue stream	3.02%	3.40%	4.26%	5.0%

9.11 Conclusion

Overall the Q3 position is positive, with above budget returns on investment income and the beginning of the recovery of pooled fund capital values. The risk to the Council’s revenue budget from the end of the Statutory Override has been mitigated with the Executive approval to set up an earmarked reserve to support the General Fund position from 1st April 2025. This will be reviewed annually with the reserve held at a prudent level dependant on the market conditions that effect the capital value of our pooled funds.

10. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

11. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

12. RISK ASSESSMENT

None required as a result of this report

13. EQUALITIES IMPACT

No direct equalities impact with regards to the content of this report

14. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None

15. BACKGROUND PAPERS

None

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West Oxfordshire District Council Fund Summary March 2024

Sustainability practices typically fall under the umbrella of ESG, or environment, social, and governance practices (essentially, the three pillars). Organisations implement ESG in order to reduce their environmental footprint or to accomplish other objectives that can benefit society, this relates to socially responsible investing.

Chart 1 below shows the score out of 50 for each pillar against each fund that West Oxfordshire hold as at March 2024. (Source: Morningstar)

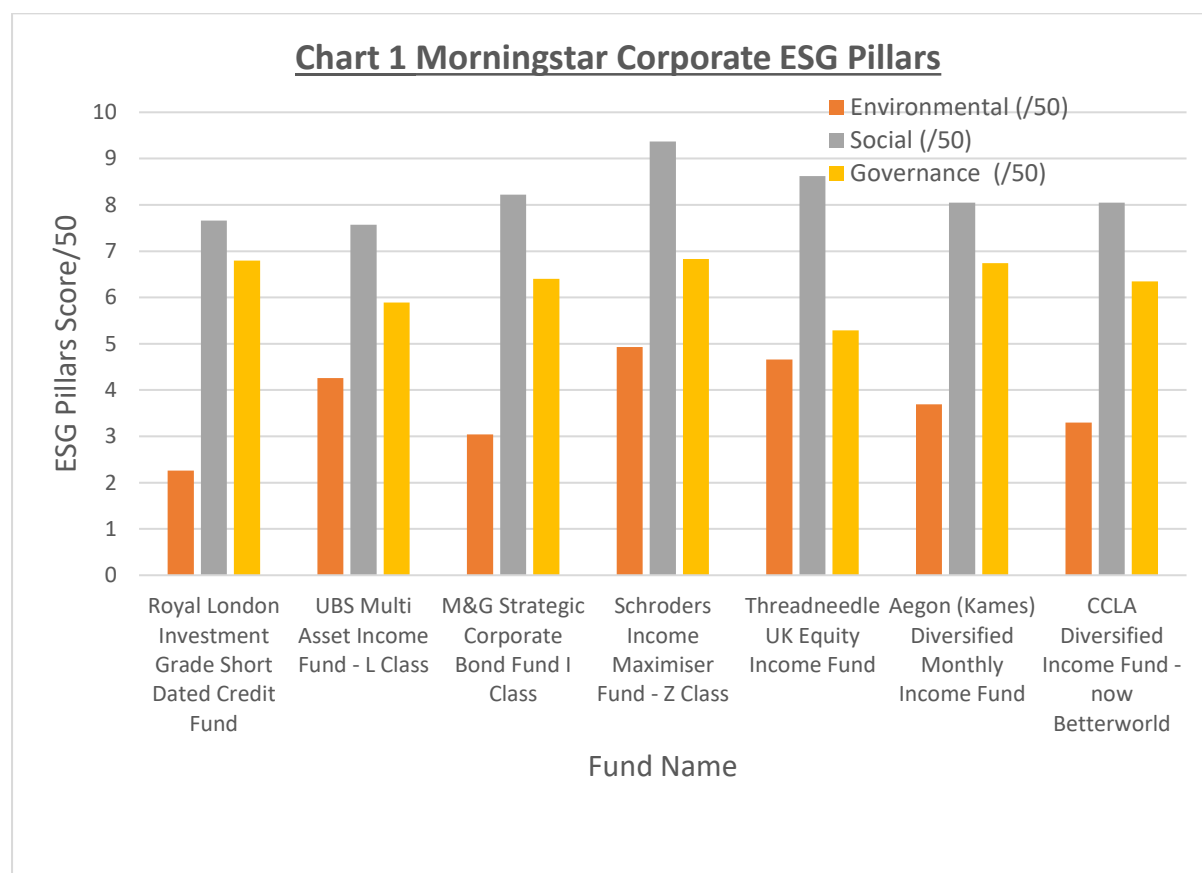


Exhibit 6 Risk Categories	
Score Range	Risk Category
0-9.99	Negligible Risk
10-19.99	Low Risk
20-29.99	Medium Risk
30-39.99	High Risk
>40	Severe Risk
Source: Morningstar/Sustainalytics	

The Environmental Pillar - often gets the most attention as many companies are focused on reducing their carbon footprint, packaging waste, water usage, and other damage to the

environment. Besides helping the planet, these practices have a positive financial impact. For example, reducing the use of packaging materials can reduce spending and improve fuel efficiency.

The Social Pillar - these tie to the concept of social licence. A sustainable business should have the support and approval of its employees, stakeholders, and the community it operates in. How such support is secured and maintained varies, but it comes down to treating employees fairly and being a good neighbour and community member, both locally and globally.

The Economic Pillar - this is where most businesses feel they are on firmer ground. To be sustainable, a business must be profitable. That said, profit cannot trump the other two pillars. In fact, profit at any cost is not what the economic pillar concerns. It is about compliance, proper governance, and risk management.

To conclude Chart 1 clearly shows that all West Oxfordshire investments in Funds have negligible risk, Corporate ESG Pillars (lower scores = lower risk).

Chart 2 shows the breakdown of the top 10 holdings for each of West Oxfordshire's funds as at March 2024

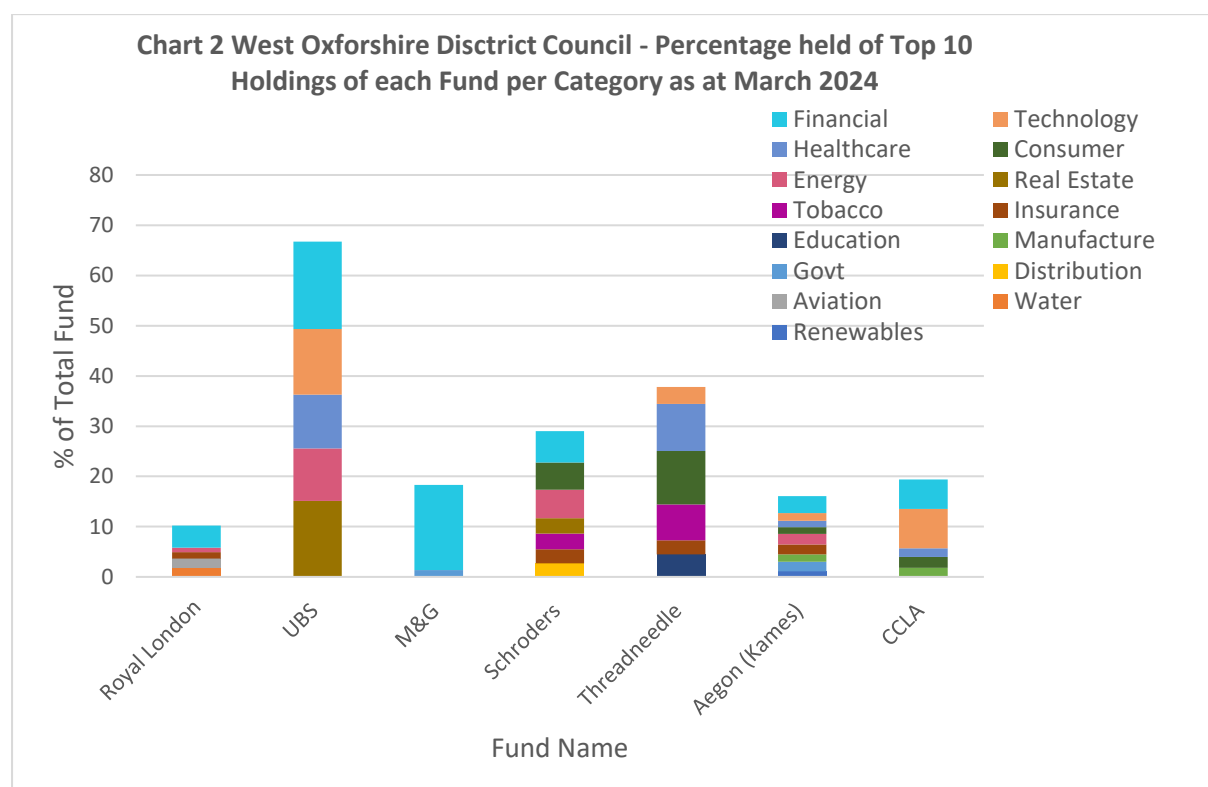



Chart 2 clearly show the majority of the funds invest highly in financial services (54.26%), technology (25.77%) and Healthcare (23.08%). Investment in energy providers is at 19.03%.

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	MEMBER TRAINING
Wards affected	None
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	Andrea McCaskie, Director of Governance Email: Andrea.McCaskie@westoxon.gov.uk
Report author	Andrew Brown, Democratic Services Business Manager Email: democratic.services@westoxon.gov.uk
Summary/Purpose	To update the Committee on the plans for member training post-election.
Annexes	Annex A – Draft Member Induction and Training Programme 2024-25
Recommendation(s)	That the Audit and Governance Committee resolves to: 1. Note the report; 2. Provide feedback on how the Council may better engage members in member training and development.
Corporate priorities	<ul style="list-style-type: none"> • Putting Residents First • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A

EXECUTIVE SUMMARY

- 1.1** This report updates the Audit and Governance Committee on the plans for inducting new members post-election and wider plans for member training and development. It also seeks feedback from the Committee on how the Council may better engage members in member training and development so that sessions will be well attended going forwards.

2. BACKGROUND

- 2.1** 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.
- 2.2** The Audit and Governance Committee on 30 March 2023 received a report on Member training and resolved to agree that training on equality and diversity awareness, the use of social media, and the Members' Code of Conduct are strongly encouraged for all councillors and should be undertaken at least once in a councillor's term of office, within six months of their election. The Committee was not in favour of making training mandatory, and in practice mandatory attendance is not something that can be enforced by officers.
- 2.3** Member attendance at a number of training sessions over the last year has tended to be very low including at sessions that have been delivered by external trainers at a cost to the Council, e.g. equality and diversity and charring skills training.. This has been reflected in the External Auditors Value for Money Recommendations for 2022/23 a report on which is presented elsewhere on this Committee agenda. The Committee is invited to provide feedback on how the Council may better engage members in member training and development.

3. DRAFT MEMBER INDUCTION PROGRAMME

- 3.1** At the local elections on 2 May 2024, 17 of the 49 seats on the Council will be up for election. In preparation for supporting new members post-election officers have drawn up a draft member training and induction programme, which is attached at Annex A. The draft programme is similar to that for the intake of new members in 2023. The programme includes some planned induction and training sessions which are specifically aimed at new members, as well as sessions that are aimed at all members, or members with certain responsibilities.
- 3.2** It is proposed that new members 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, training on the Code of Conduct for Members.

4. FURTHER MEMBER TRAINING OPPORTUNITIES

- 4.1** Democratic Services have been working with the Learning and Development team to deliver further training opportunities for members. As a result, a suite of online training courses will soon be made available to elected members through the Council's iHASCO Learning Management System. This will be communicated to members in the coming weeks. The following online courses have been identified as being the most likely to be of interest to members:

- Health and Safety Essentials
- Lone Worker Safety
- Conflict resolution
- Equality, Diversity and Inclusion
- Gender Identity and Expression
- Managing Anxiety
- Menopause Awareness
- Mental Health Awareness
- Prevent Duty
- Sexual Harassment Awareness
- Unconscious Bias

- 4.2** Carbon Literacy training has recently been delivered to senior officers. Climate Change officers are currently developing proposals for carbon and climate literacy training for members.
- 4.3** In addition to member training, Democratic Services will continue to facilitate regular member briefing sessions on issues or services that are likely to be of interest to Members. These sessions are held remotely on Teams and are recorded for the benefit of members who are unable to attend at the given time. Recent briefings include Health and Wellbeing (14 March), the Local Government Boundary Commission Review (13 March), the GLL Annual Progress Review (5 March), Cyber Security and it's Risks (20 February), and Ubico Update (8 February).

5. FINANCIAL IMPLICATIONS

- 5.1** 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.

6. LEGAL IMPLICATIONS

- 6.1** There is no legal requirement for the Council to provide member training but doing so is considered to be good corporate governance and member support practice. Member training on regulatory functions (e.g. planning, licensing and standards) is important for ensuring that decisions taken will be sound and reduce the risk of decisions being successfully challenged.

7. RISK ASSESSMENT

- 7.1** If members are not trained on the Code of Conduct, social media and equality and diversity there is a risk of an increase in the number of complaints against members.
- 7.2** If members taking planning, licensing and standards decisions are not trained on those functions there is an increased risk of decisions being successfully challenged, which can be costly for the Council and result in negative publicity.

8. EQUALITIES IMPACT

- 8.1** 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.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 9.1** Where appropriate, training and briefing sessions are held online to minimise travel emissions. There are no other climate and ecological emergencies implications arising from this report.

10. BACKGROUND PAPERS

- 10.1** None.

(END)

Annex A: DRAFT Member Induction Programme 2024

<i>Type of training</i>	<i>Target audience</i>	<i>Delivery</i>	<i>When (indicative length)</i>
Introduction to the Council <ul style="list-style-type: none"> Corporate welcome from the Chief Executive Introduction to Publica Overview of welcome pack and induction Overview of Council Governance Code of Conduct training Modern.gov app set-up Declaration of acceptance of office (if not done at count) Official photograph Tour of building 	New members	Internal – Retained officers, Publica Directors Assistant Director locality leads, Democratic Services	8 May 2024, choice of two sessions (10am and 5pm) 2.5 hours
Planning skills To ensure that all members are equipped with the essential planning knowledge and skills they need as committee members/substitutes and ward councillors. To include: <ul style="list-style-type: none"> Introduction to the planning process Planning at WODC Being on the planning sub-committees 	All	Planning Business Manager	TBC (2 hours)
Licensing An introductory course to ensure that the Licensing Committee members are equipped to determine applications.	Licensing members	Licensing Team Leader	TBC (1.5 hours)
Introduction to the Council's Finances An overview of the Council's finances including revenue and capital, funding streams, council expenditure, treasury investments and the national financial context.	All	Director of Finance	TBC (1.5 hours)

Audit & fraud awareness <ul style="list-style-type: none"> • An overview of the roles and responsibilities of the Audit and Governance Committee, the Chief Finance Officer (Section 151 Officer), Internal Audit and External Audit. • A brief introduction to the Counter Fraud Enforcement Unit Partnership, general fraud awareness, risk areas affecting Local Government and Member responsibilities. 	Audit and Governance Committee	SWAP, Director of Finance & Head of Counter Fraud Unit	TBC (2 hours)
Communications and social media This session will provide an introduction to how the Council's Communications Team works, how they can support Members, how the Council deals with the local media and the role in that of ward member. It will also cover in depth how Members can use social media, advice on how to manage social media as a local councillor and how to avoid some of the pitfalls users can fall into.	All	Communications team	TBC (1.5 hours)
Equality and Diversity A general overview of inclusion, including unconscious bias.	All	External TBC	TBC (2 hours)
Standards hearings An overview of the procedure to be followed at Standards Sub-Committee hearings, where members will determine allegations that the Code of Conduct has been breached by a district, town or parish councillor.	Standards Sub-Committee	Director of Governance	TBC (1 hour)

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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