

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
Audit and Governance Committee
Held in Committee Room 1 at 6.00pm on **Thursday 10 August 2023**

PRESENT

Councillors: Mathew Parkinson (Chair), Ruth Smith (Vice-Chair), Jane Doughty, Michele Mead, Andrew Beaney, Elizabeth Poskitt, Colin Dingwall, Andrew Prosser, Alaric Smith, Edward James, Joy Aitman, Geoff Saul, David Melvin, Rachel Crouch, Alex Wilson and Tim Sumner.

Officers: Lucy Cater (Assistant Director SWAP), Elizabeth Griffiths (Chief Finance Officer, Deputy Chief Executive and Section 151 Officer), Andrea McCaskie (Director of Governance), Phil Martin (Assistant Director, Business Support), Max Thompson (Senior Democratic Services Officer), Bill Oddy (Assistant Director, Commercial Development), Georgina Dyer (Chief Accountant), Kate Seeley (Investigation and Enforcement Manager) and Mandy Fathers (Business Manager, Environmental, Welfare & Revenue Service), Michelle Ouzman (Strategic Support Officer), and Anne Learmonth (Strategic Support Officer).

Other Councillors in attendance: Dan Levy.

5 Apologies for Absence

Apologies for Absence were received from Councillor David Jackson.

Councillor Tim Sumner substituted for Councillor David Jackson.

Councillor Harry St John was absent from the meeting.

Councillors Edward James and Joy Aitman arrived late to the meeting.

6 Declarations of Interest

There were no declarations of interest received.

7 Minutes of Previous Meeting

The minutes of the previous meetings held on 30 March 2023 and 24 May 2023, were approved by the Committee and signed by the Chair as a correct record.

8 Participation of the Public

There was no participation of the public.

9 External Audit Annual Report West Oxfordshire District Council 2021 2022

Peter Barber and Jason Granger introduced themselves to the Committee and stated that they were in attendance on behalf of Grant Thornton (GT), public sector auditors. The main objectives were to give an independent audit opinion on the Council's financial position and a value for money conclusion.

Mr Barber presented a summary of the External Auditors' Annual Report for 2021/22.

Mr Barber confirmed there were three areas considered as part of the report:

1. Finance sustainability, budget setting, monitoring, variances, delivery, planning for medium term and strategy;

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2. Governance, interested in how the Council makes decisions, oversees the process and the Audit and Governance Committee is key to the governance effective process;
3. Economy, efficiency and effectiveness.

Mr Barber referred the Committee to Appendix C, Page 60. In the report there were no statutory recommendations, and no key recommendations, and therefore the Council was reassured of the appropriate processes in place, in the three areas listed. The only recommendations from GT were 14 improvements, and therefore the processes at the Council were effective, with just these recommended improvements.

Mr Barber concluded that the report was very detailed.

The Chair clarified to the Committee that the report referred to was in the supplementary report pack.

Mr Granger guided the Committee through highlights of the work undertaken. Mr Granger referred the Committee to pages of interest within the report that had recommendations already in place to enhance processes. Recommendations included:

- Page 25, Financial Sustainability;
- Page 35, Governance arrangement;
- Page 48, Improvement in economy and effectiveness.

Mr Granger thanked the Chief Finance Officer and her team for the support given to GT during the audit.

The Chair invited the Committee to discuss the audit, which raised the following clarification points:

1. There seemed to be an overlap with FMOS (Finance and Management Overview and Scrutiny Committee) and this Committee, what were other Councils practices;

Mr Granger referred to the Council's constitution and that there were three Overview and Scrutiny Committees, but required further definition and terms of reference. GT would recommend that the Council conducts a self-assessment in line with CIPFA (Chartered Institute of Public Finance and Accountancy) practice statement.

2. Page 21 Executive summary says risk identified, then no risk found;

Mr Granger explained that initially when looked at, they thought there could be a risk but after investigation the verdict was no risk found.

3. In improvement recommendation seven, the Council seemed to disagree with the first part, but agree with the follow up;

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The Chief Finance Officer explained that they could agree to disagree with findings. However the first part was in relation to budget holders having access to the system and in fact they did have access, however they didn't seem to use that access. Therefore at the present time the Council disagreed that access needed to be improved.

4. Recommendation 13, to talk to Publica to aligning management, which management was this, Publica, the Council or both;

The Chief Finance Officer explained it was WODC management.

Mr Granger referred the Committee to the Audit Opinion 2021/22 and explained that at the end of March 2023, GT had presented the Audit Findings Report to Committee, which had been delayed due to the Pension fund position. It was envisaged that the letter would not be available until September, so a report was unable to be cleared. The Chief Finance Officer announced that the Council had received confirmation from Oxfordshire County Council that the letter would not be available until November, and confirmed the delay was as a result of limited resources.

The Committee thanked GT, the Chief Finance Officer, the Chief Accountant, and the Finance Team for all their incredible hard work and support.

The Committee **Resolved** to:

1. Note the Grant Thornton Audit Findings for WODC report.

10 Internal Audit Annual Opinion 2022/23

Lucy Cater, Assistant Director SWAP (Internal Audit Services), presented the Internal Audit Annual Opinion 2022/23.

The Assistant Director highlighted the following key points from her report:

- Page 68 – Overall opinion for the year;
- Page 80 – Summary of audits completed during the year;
- Page 85 – Summary of audits completed since the last Committee meeting;
- Page 97 – Outstanding agreed actions.

The Assistant Director invited the Committee to discuss the report, which raised the following questions of clarification:

1. Request for the reports to be in larger print;
Elizabeth Griffiths, the Chief Finance Officer explained that reports were sent to the print room in landscape, but were then produced in portrait, it was a computer system issue. However this would be investigated to see if the print size could be improved upon either at source or at the printing stage.
2. Further detail on the Revenues and Benefits overpayments;

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Mandy Fathers the Business Manager for Environmental, Welfare & Revenue Service explained that during Covid the service was impacted greatly, plus a new system had been implemented. ICT (Information Communication Technology) support (CIVICA) took longer during Covid on fixes for the Sundry Dept side, which was now almost up to date. Invoices had been sent out for claimants overpayments with an accompanying letter explaining the reason for the overpayment and how to make a payment. All invoices should be issued by September.

3. How many procurement cards were held in WODC;
Phil Martin the Assistant Director for Business Services informed the Councillors that there were eight procurement cards currently held within WODC. Publica were currently investigating the use of virtual cards, once proven and tested the new technology would be rolled out to Council card holders.
4. Section 106 statement, could this be improved upon;
The Assistant Director for Business Services confirmed that the statement for 2021/2022 had limited assurance, however since then a notable improvement had been made and one option to achieve this was to create a Shared Infrastructure Team. The latest update was that S106 list was being pushed forward and worked through.

The Committee **Resolved** to:

1. Note the report of the Internal Audit Annual Opinion 2022/23.

11 Statement of Accounts 2022/23 - Update and Accounting Policies

Georgina Dyer, Chief Accountant, introduced the Draft Statement of Accounts 2022/2023 and an update of the Accounting Policies.

The Chief Accountant explained to the Committee that there had been swings in pension liability, and that pensions generally go up and down. There were major movement cash balances in 2021/2022.

The Chief Accountant concluded that there were only minor changes to the policies.

The Chair asked the Committee to consider all three recommendations within the report at once, then asked for a show of hands of those Committee Members who were in approval of all three recommendations.

The Committee unanimously showed all hands in approval.

The Committee **Resolved** to:

1. Note the position with regard to preparing of the 2022/23 draft Statement of Accounts and the forecast publication date;
2. Approve the draft accounting policies for 2022/23;
3. Approve further necessary amendments to the policies set out at Annex A of the Supplementary documents to the Agenda.

12 Statement of Accounts 2022/23

The Chair of the Committee, Councillor Mathew Parkinson, introduced the Council's Statement of Accounts for the period 1 April 2022 to 31 March 2023

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The Chair invited the Committee to discuss the reports, which raised the following clarification and discussion points:

1. Councillors expressed disappointment that the reports were not issued until days before the meeting and that there was a large amount of information to digest just before the meeting.

The Chief Finance Officer confirmed to the Committee that there would be another opportunity to view the reports before they were signed off. The reason for the lateness of issuing was limited resource within the Finance Team.

2. Councillors wanted to know the difference between useable and unusable reserves.

The Chief Accountant and Chief Finance Officer explained that usable reserves could be used to fund expenditure. The unusable reserves were mainly investments (property owned for example), were used to hold technical accounting balances (required in order to comply with CIPFA – Accounting Code of Practice).

The Chair concluded that the Committee was being asked to note the report.

The Committee **Resolved** to:

1. Note the Statement of Accounts 2022/23, including the Annual Governance Statement.

13 Annual Governance Statement for 2022/23 and Action Plan for 2023/24

The Chief Finance Officer explained to Councillors that the Annual Governance Statement was produced for each financial year. It looked at governance arrangements, plans for improvements, risks in the business and what the Council was planning to do to mitigate the risks.

There were no questions from the Councillors.

Councillor Mathew Parkinson proposed that the Committee review and agree the revised Annual Governance Statement 2022/23 and Action Plan for 2023/24, and consider and approve the revised WODC Local Code of Corporate Governance 2022/23, to be signed off by the Leader and Chief Executive. This was seconded by Councillor Poskitt, was put to the vote and was agreed unanimously by the Committee.

The Committee **Resolved** to:

1. Agree the revised Annual Governance Statement 2022/23 and Action Plan for 2023/24
2. Approve the revised WODC Local Code of Corporate Governance 2022/23 be signed off by the Leader and Chief Executive.

14 Audit and Governance Committee Work Programme 2023/24

The Chair of the Committee, Councillor Mathew Parkinson, introduced the Audit and Governance Committee Work Programme 2023/24.

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The Chair stated that the Agenda item titled “Impacts of Voter ID” scheduled for the September meeting, had already been considered by Council as a Member Question, and suggested the item be removed from the Committee Work Programme.

Andrea McCaskie, Director of Governance, concurred with the Chair’s suggestion adding that the Council was expecting a review from the Electoral Commission in the Autumn, which would potentially generate an action plan for future elections under direction from the Chief Executive.

The Committee raised questions regarding the Standards Sub-Committee meetings scheduled. The Director of Governance confirmed meetings would take place as appropriate and that whilst scheduled meetings were in provisional form, meetings dates could be amended, and added that training for the Sub-Committee training had been undertaken in May 2022/23.

The Chair asked for any further comments or questions on the Committee Work Programme, there were none received.

The Committee unanimously **Resolved** to:

1. Note the report;
2. Agree to the removal of “Impacts of voter ID” from the Work Programme.

The Meeting closed at 6.58pm

CHAIR