

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the Audit and General Purposes Committee held via video conferencing at 6:00 pm on Thursday 28 January 2021

PRESENT

Councillors: Jane Doughty (Chairman), Andy Graham (Vice-Chairman), Luci Ashbourne, Andrew Beaney, Harry Eaglestone, Duncan Enright, Gill Hill, James Mills, Martin McBride, Elizabeth Poskitt, Alex Postan, Geoff Saul and Harry St John.

Officers in Attendance: Elizabeth Griffiths (Chief Finance Officer); Michelle Burge (Chief Accountant); Lucy Cater (Assistant Director, South West Audit Partnership); Peter Barber (Engagement Lead, Grant Thornton); Siobhan Barnard (Assistant Manager, Audit, Grant Thornton); and Amy Bridgewater-Carnall (Senior Strategic Support Officer).

24. MINUTES

It was noted that Councillor Graham was still waiting for a response to his query relating to Minute Number 22, Corporate Risk Register Update. Officers agreed to chase a response for him.

RESOLVED: That the Minutes of the meeting of the Committee held on 26 November 2020, copies of which had been circulated, be confirmed as a correct record and signed by the Chairman.

25. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Councillor Richard Langridge, and the following temporary appointments were notified.

Councillor James Mills for Councillor Jake Acock
Councillor Geoff Saul for Councillor Mike Cahill.

26. DECLARATIONS OF INTEREST

There were no declarations of interest from Members.

27. PARTICIPATION OF THE PUBLIC

There were no submissions from members of the public.

28. INTERNAL AUDIT PROGRESS REPORT UPDATE

The Committee received and considered the report of the Chief Finance Officer which presented a summary of the audit work concluded since the last meeting of this Committee.

The Internal Audit Service was provided to the Council by SWAP Internal Audit Services (SWAP), a local authority-controlled company.

The Report of Internal Audit Activity 2020/21 attached as an appendix to the report, set out the work undertaken by SWAP for the Council since the last meeting of this Committee. It followed the risk-based auditing principles and was an opportunity for the Committee to be aware of emerging issues which had resulted from SWAP involvement.

The Audit Plan Progress was attached as Appendix B in the report and was followed by a summary of each audit review finalised. Appendix D detailed the High Priority Findings and Agreed Actions for each audit and a summary of the Agreed Actions was outlined at Appendix E.

Ms Lucy Cater from SWAP was in attendance and available to address Members' questions. She highlighted the work that had been undertaken during the pandemic with accounts payable and payroll along with the administration of the Business Grants.

Questions from Members included:

- ICT aspects, page 9 – 'Automatic Back Up of System' had no information in the 'Status' column. Officers advised this was due to be included in a future audit and was planned in the programme;
- Payroll and Procurement and Contract Management, pages 16 and 17 – The due dates of August and September 2020 had passed, what was the current status. Officers advised that some recommendations had been delayed due to the pandemic but follow up reviews were imminent;

- Was there a prioritised list of items that had slipped due to the pandemic – Ms Cater could not state categorically but assured that all recommendations were followed up as a matter of course;
- Business Grant funding and assurances regarding fraudulent activity provided by the Counter Fraud Unit;
- Apprenticeship Scheme – it was noted that although detailed as ‘closed’ this item had been referred back to Publica and the Chief Finance Officers for information;
- Details on dissolving newly formed companies and the checks carried out with Companies House. It was suggested that this could be a question put to the Counter Fraud team;
- Leisure Funding – officers provided an update as to the current situation and the projections coming forward from GLL;
- Potential for a greater risk next year with regards to operational issues for the leisure centres due to the service provision needing to change its approach to Health and Wellbeing. Officers agreed to pass this comment to GLL who, it was noted, were being very proactive to continue to deliver services.

Having discussed the report, Members passed their thanks to officers for their work, and it was -

RESOLVED: That the report be noted.

29. ANNUAL AUDIT LETTER 2019/20

The Committee received and considered the report of the Chief Finance Officer, which presented the annual audit letter for 2019/20 and considered the key findings arising from the work carried out by Grant Thornton at the Council for the year ended 31 March 2020.

Mr Peter Barber was present from Grant Thornton and introduced the report which outlined the work during 2019/2020.

Following a query from Councillor Postan regarding Pension Deficits and mortality rates, Mrs Griffiths assured the meeting that these were independently reviewed and auditing took place on a regular basis.

Councillor Graham queried what proportion of the pension fund was reliant on property investment. During the course of the meeting, officers responded and advised that none of the fund was linked to property investment.

Councillor Postan thanked Mr Barber and the team at Grant Thornton for their work on behalf of the Council.

RESOLVED: That the contents of the annual audit letter 2019/20 be noted.

30. EXTERNAL AUDITOR'S PROGRESS REPORT AND SECTOR UPDATE

The Committee received and considered the report of the Chief Finance Officer, which provided it with an update from the Council's external auditor, Grant Thornton, attached as Annex A to the report.

The report included an update of progress on the audit deliverables for 2019/20 and highlighted emerging issues and developments including changes to auditor reporting on value for money arrangements in 2020/21.

Mr Peter Barber was present from Grant Thornton and introduced the report and outlined Progress at January 2021. He referred to the Chief Accountants workshops outlined in the Other Areas section which would focus on the learning from 2019/20 across the sector and he welcomed the opportunity for finance officers to attend.

Mr Barber explained the reference to an increase to the audit fee from those proposed at the planning stage of the audit. This was a result of the extra work and time taken to discharge their responsibilities as a result of Covid-19 and a further information was provided on page 17 of the letter.

He highlighted the Value for Money Conclusion on page 11 of the report and the recent changes in criteria by the National Audit Office.

Councillor Enright noted that the new Value for Money rules appeared to be similar to internal audit and officers agreed that there was an overlap.

Having read the report and discussed the detail, the Committee

RESOLVED: That the report be noted.

31. UPDATE ON THE SECTION 106 AGREEMENTS PROJECT

The Committee received and considered the report of the Chief Finance Officer, which provided it with an update on the above project.

The development and implementation of a comprehensive database of section 106 agreements was well advanced and a progress report was provided to the Committee on 26 November. This report provided a further update and Members were asked to note the information.

The report noted that the overall project status remained at 'amber' because of the time taken to add the backlog of records than was initially envisaged. The project completion date was now projected for March.

The reasons for the delay were a combination of capacity issues arising from the Covid response, and the complexities involved in piecing together the historic records. Good progress had been made with more than half of the 153 agreements being added, and an initial analysis of project spend deadlines complete. An officer had been appointed to lead on s106 monitoring and maintenance of the database once the project closed, and a schedule of handover sessions had been planned.

The Chief Finance Officer introduced the report and explained the current position with the project. She explained that the officer's contract had been extended until the end of March and that the team was keen that this was not a redundant database.

Following a query from Councillor McBride, Mrs Griffiths advised that there were no plans to allow external parties access to the database due to the complexity of legal restrictions surrounding individual S106 agreements and the possibility of misinterpretation. It would be advisable for parishes to route their queries through the officer managing the database who would have access to legal and planning teams to help interpret clauses.

Members noted that it may be beneficial for parish councils to receive an annual statement to investigate if tasks had been carried out in their area. Mrs Griffiths recognised that it would be a large piece of work to distil the information down to

each parish council and highlighted the work that officers undertook to engage parish councils more pro-actively.

Councillor St John enquired if the system was intelligent enough to alert officers when timescale triggers had been hit. For example, when occupation levels were met and those agreements that had a ten year life time. Mrs Griffiths agreed to find out about the reminder facilities on the system and it was noted that it was a concern that some agreements could run out of time.

The Chairman thanked all officers involved in this work and the Committee -

RESOLVED: That the report be noted.

32. CORPORATE RISK REGISTER UPDATE

The Committee received and considered the report of the Chief Executive, which provided an update on the changes to the Council's Corporate Risk Register as at the end of Quarter Two of 2020/2021.

The Corporate Risk Register was updated by the risk owners at the end of Q3 and reviewed by the Council's Management Team. The Register had been attached at Annex A to the report.

It was noted that the following risks had been removed from the register, because they had either been managed to a tolerable level or were no longer relevant:

- W-CRR-033 "If South Oxfordshire District Council's decision on its local plan remains unchanged then the Council may not be able to deliver additional affordable homes through the Oxfordshire Housing and Growth Deal". South Oxfordshire had now adopted its Local Plan under which West Oxfordshire was able to deliver the necessary affordable homes.
- W-CRR-032 "If South Oxfordshire District Council's decision on its local plan remains unchanged then the Council may have to repay grant it has received from the Oxfordshire Housing and Growth Deal resulting in loss of income". South Oxfordshire had now adopted its Local Plan resulting in West Oxfordshire not having to repay this grant.
- W-CRR-029 "If the UK leaves the European Union with no deal then there could be a disruption to the delivery of Council services which would impact on residents / communities": A trade deal was agreed with the EU at the end of

December 2021. Any implications arising following the UK exit were covered by risk W-CRR-031.

The Chief Finance Officer outlined the report and highlighted the risks relating to the Medium Term Financial Strategy, the South Oxfordshire District Council local plan and the references to 2020 dates that may need updating to 2021.

Councillor Mills queried the potential impact on Local Authorities in relation to the legal case involving South Oxfordshire District Council and officers agreed to request an update from the Chief Executive.

In relation to page 13 of the report which dealt with the risk of staff morale and motivation, Councillor McBride highlighted that there was no mention of looking after the morale of Councillors.

In relation to Cyber Security risks, Members noted that they had received a report at a previous meeting but felt it would be advisable to receive an update from officers, especially in light of the changes in work patterns and flexible working.

Having considered the report and discussed the risks detailed, the Committee RESOLVED: That the report be noted.

The meeting closed at 7.39 pm

CHAIRMAN