

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 26 November 2020**

PRESENT

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

Officers in Attendance: Elizabeth Griffiths (Chief Finance Officer); Michelle Burge (Chief Accountant); Clare Williams (Interim Finance Business Manager); Emma Cathcart (Counter Fraud Manager); Lucy Cater (Assistant Director, South West Audit Partnership); Peter Barber (Engagement Lead, Grant Thornton); Siobhan Barnard (Assistant Manager, Audit, Grant Thornton); Keith Butler (Head of Democratic Services); and Amy Bridgewater-Carnall (Senior Strategic Support Officer).

13. MINUTES

RESOLVED: that the Minutes of the meeting of the Committee held on 23 July 2020, copies of which had been circulated, be confirmed as a correct record and signed by the Chairman.

14. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

An apology for absence was received from Councillor Richard Langridge, and the following resignations and temporary appointments were received and noted:-

Councillor Joy Aitman for Councillor Mike Cahill
Councillor Julian Cooper for Councillor Elizabeth Poskitt
Councillor James Mills for Councillor Jake Acock

15. DECLARATIONS OF INTEREST

There were no declarations of interest from members relating to items to be considered at the meeting.

16. PARTICIPATION OF THE PUBLIC

There were no submissions from members of the public.

17. INTERNAL AUDIT ANNUAL PLAN 2020/21 AND PROGRESS REPORT

The Committee received and considered the report of the Chief Finance Officer, which presented a revised Internal Audit Plan 2020/21 and outlined a summary of the work undertaken by Internal Audit since the last meeting of the Committee.

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

SWAP was due to present an internal audit plan covering 2020/21 to the Audit and General Purposes Committee in April 2020. However, due to the COVID-19 outbreak and subsequent lockdown, this Committee was postponed. As a result of the outbreak, an

updated approach had to be implement and a significant proportion of the planned work was likely to be pushed back.

Annex A to the report detailed how SWAP had supported WODC during quarter one, the work undertaken and a plan as to how to undertake the audits in the revised plan.

Annex B to the report detailed the work undertaken during quarter two executive summaries of finalised audit assignments, a progress report on follow up of high priority recommendations and a summary of progress against all internal audit recommendations.

Finally, the report presented the recommendations made following an External Quality Assessment undertaken earlier in the year, for information purposes.

Ms Lucy Cater, Assistant Director of South West Audit Partnership) introduced the report and highlighted the key information. In response to a query from Councillor St John, Ms Cater advised that Alix Wilson, Head of South West London Audit Partnership and Russell Banks, Chief Internal Auditor at Orbis had undertaken the external assessment.

Councillor Enright passed his thanks to the team at SWAP for their update.

Councillor Doughty thanked Ms Cater for a thorough report and for attending the meeting to guide Members through the information.

RESOLVED:

- (a) That the revised 2020/21 Internal Audit Annual Plan be approved;
- (b) That the report at [Annex B](#) is noted; and
- (c) That the External Quality Assessment (EQA) undertaken for SWAP Internal Audit Services be noted, as included at [Annex C](#).

18. UPDATE ON THE SECTION 106 AGREEMENTS PROJECT

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

Annex A to the report set out the progress made to date against key project milestones. The overall project status was amber, with good progress being made and records being added to the live system. It was hoped that the uploading of records would be completed before the end of the calendar year, but with collation of information from so many departments still ongoing there was a risk of some slippage.

Good progress had been made though with consistent involvement and engagement across the whole organisation. The system had been signed off in test and implemented in the live environment with loading of the current total of 147 records in progress.

Prior to the Chief Finance Officer outlining the report, the Chairman took the opportunity to congratulate the team on the work achieved so far.

In response to queries from Councillors Cooper and Enright, Mrs Griffiths advised that access to the database was currently available for internal staff and was not yet available to the public or parish or town councils. Due to the volume of legal agreements, terms and conditions and caveats included in S106 agreements, officers felt it was important to limit access.

In response to a query from Councillor Postan, Mrs Griffiths explained that it would be possible to run reports and pull information from the data but it was important to temper expectations as this was a working document.

Councillor St John asked how far the data went back and whether it would be possible to filter the information by Ward. He also queried if it could be confirmed that developers would be able to avoid paying contributions as a result of the Covid-19 pandemic. Mrs Griffiths advised that she was not aware of developers being released from their duty to pay but would liaise with the project team. It was also confirmed that the information in the SI06 database dated back to 2012 as this was when Business World had been installed.

Members thanked officers for their update and to the Audit team for their work. Following a question from Councillor Graham, Ms Cater advised that the Cyber Security Audit was not complete but was underway, with a report due at the next meeting.

RESOLVED: That the report be noted.

19. COUNTER FRAUD UNIT UPDATE

The Committee received and considered the report of the Counter Fraud Manager, which provided assurances regarding the counter fraud activities of the Council along with direct updates as appropriate.

The Audit and General Purposes Committee's role was to oversee the Council's counter fraud arrangements.

Work plans for the Counter Fraud team detailing progress and results were highlighted for comment and consideration and were attached as annexes A and B to the report. Also included was the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA), the Council's existing authorisation arrangements and the outcome of the recent inspection by the Investigatory Powers Commissioner's Office (IPCO).

The Counter Fraud Manager, Ms Emma Cathcart outlined the report and highlighted the work carried out by the Counter Fraud Unit (CPU) as a consequence of the recent pandemic. This work had centred on providing advice relating to fraud risk and abuse, most significantly in relation to the Small Business Grant Fund, Retail, Leisure and Hospitality Grant Funding and Discretionary Grant payments.

Members discussed the process involved in debt recovery and explained that in some circumstances, staff disciplinary action had been implemented. Councillor Graham raised a concern about the potential for misuse of budgets by managers and was reassured that accounting procedures, protocols and need for appropriate sign off were measures designed to ensure security.

RESOLVED that the report be noted.

20. INFORMING THE AUDIT RISK ASSESSMENT 2019/20

The Committee received and considered the report of the Chief Finance Officer, which enabled Members to discuss a response to the Council's external auditors (Grant Thornton LLP) regarding how it gained assurance on matters such as fraud, breaches of internal control and compliance with laws and regulations.

A document entitled “Informing the audit risk assessment for West Oxfordshire District Council” had been provided by Grant Thornton and was attached as Annex A to the report.

Peter Barber from Grant Thornton outlined the report and answered questions from members including:

- The table of contents – how areas were set and could other areas be included;
- Collective investments;
- How much attention had been given to the Redmond Review;
- Clarification on Earmarked and usable reserves.

Following a robust presentation and discussion, Members noted the report.

RESOLVED: That the Committee confirms the management response to the auditor risk assessment is a true reflection of the Council’s management processes.

21. STATEMENT OF ACCOUNTS 2019/2020

The Committee received and considered the report of the Chief Finance Officer, which presented the Council’s audited Statement of Accounts for the period 1 April 2019 to 31 March 2020, for consideration and approval.

The Council’s Chief Finance Officer was responsible for ensuring that the statement of accounts were prepared and published no later than 31 May immediately following the end of a year. On 31 May, the statement of accounts was submitted to the Council’s auditors, Grant Thornton, to undertake the formal audit of the accounts.

It was the Audit & General Purposes Committee’s role to formally approve the Statement of Accounts, along with the Grant Thornton Audit Findings Report, on behalf of the Council, following the completion of the audit process.

Previously, the audited Statement of Accounts, along with the Grant Thornton Audit Findings Report, would have been presented to the Audit & General Purposes Committee for formal approval prior to 31 July. However, due to resourcing issues within Grant Thornton the 2019/20 audit was not complete by the end of July and the draft (unaudited) accounts were presented to the Committee to review and approval.

The audit was now complete and attached to the report was the Audit Findings Report for West Oxfordshire District Council (see Annex A). The report detailed all of the work that Grant Thornton had undertaken as part of their formal audit of the accounts, outlined the key findings and matters arising from the statutory audit process.

In presenting the report Mr Barber of Grant Thornton advised that all indicators pointed to the work being completed by the end of November 2020 and would be ready to sign off. He reminded Members that this had been a very challenging time for Grant Thornton and the Council and the accounts had been delayed as a result of staffing levels and conflicting priorities.

Mr Barber thanked the officers for their work in compiling the accounts and assured Members that they had been subject to some very robust discussions. He guided the Committee through the highlights of the report, and included information relating to property, plant and equipment and the Oxfordshire Pension Fund.

The Chief Finance Officer responded to queries from Members and thanked the officers from Grant Thornton for their assistance and support in producing the accounts.

RESOLVED:

- (a) That the Grant Thornton Audit Findings for West Oxfordshire District Council report be noted;
- (b) That the Statement of Accounts 2019/20 be approved; and
- (c) That the Chief Finance Officer and the Chair of the Committee be authorised to write a letter of representation on behalf of the Committee and Council to Grant Thornton to enable the opinion to be issued.

22. 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 Chief Finance Officer outlined the report and answered queries from Members.

In response to a question from Councillor St John, it was highlighted that a glossary of terms was provided at page 99 of the report.

Councillor Graham queried who would be consulted on the Draft Commissioning and Procurement User Guide as referred to in the table on page 5 of the report.. Officers agreed to find out and respond to him outside of the meeting.

RESOLVED: That the report be noted.

23. MISCELLANEOUS LICENSING SUB-COMMITTEE REPORT

The reports of the meetings of the Miscellaneous Licensing Sub-Committee held on 24 July and 27 August 2020, copies of which had been circulated, were received and noted.

The meeting closed at 7:43 pm

CHAIRMAN