

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the **Audit and Governance Committee**

Held in the Committee Room I, Council Offices, Woodgreen, Witney, Oxfordshire OX28
INB at 6.00 pm on **Thursday, 30 January 2025**

PRESENT

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, Jane Doughty, David Jackson, Elizabeth Poskitt, Nigel Ridpath, Sandra Simpson

Officers: Lucy Cater (Assistant Director SWAP) and Georgina Dyer (Chief Accountant)

Independent Member: Richard Deuttenburg.

37 Minutes of Previous Meeting

The Committee considered the minutes of the meeting held on 28 November 2024.

In response to a question, the Business Manager for Governance, Risk and Business Continuity explained that the new two-stage complaints process would be implemented from 1 April 2025 and that training would be arranged for Members.

The Chair proposed that the minutes be agreed. This was seconded by Councillor Beaney, was put to the vote and agreed by the Committee.

Resolved: The Committee agreed the minutes of the meeting held on 28 November 2024.

38 Apologies for Absence

Apologies for absence were received from: Gemma Collings (Co-Opted Member).

39 Declarations of Interest

There were no declarations of interest received.

40 Participation of the Public

There was no public participation.

41 Strategic Risk Register

The report presented the Strategic Risk Register for information and assurance that risks to the Council were being managed and appropriate actions were being taken to mitigate risk.

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The Business Manager for Governance, Risk and Business Continuity introduced the report highlighting the following key points:

- The risk relating to the Phase I Transition, which was implemented on 1 November 2024 would be removed from the register. There were risks relating to Phase 2 and embedding staff who had already transferred.
- A risk had been added relating to local government reorganisation.

In discussion the Committee noted that the risk titled “APSE litigation claim” was considered to be a very low risk for the Council.

The Chair proposed noting the report. This proposal was seconded by Councillor Ridpath, was put to the vote and agreed by the Committee.

The Committee resolved to note the contents of the report and annex.

42 Auditor's Annual Report on West Oxfordshire District Council (Value for Money Arrangements and Recommendations)

The report provided the Committee with the Auditor’s Annual Report on Value for Money Arrangements and Recommendations 2023/24.

The Key Audit Partner of Bishop Flemming introduced the report, highlighting that:

- The report could not be finalised until the auditor had given their opinion on the accounts.
- The auditor looked at three key areas: financial sustainability, governance, and improving economy, efficiency and effectiveness.
- There were three amber indicators where the auditor had made recommendations for improvements going forwards. Partly the amber indicators were a result of timing issues due to the audit backlog and the picture was positive overall.

The Committee questioned who provided the management responses, whether officers or the Executive. The Director of Finance explained that the Council’s senior management team had provided the responses and had disagreed with two of the auditor’s recommendations:

- Management had disagreed with a recommendation that the corporate risk register is considered by the Audit and Governance Committee quarterly as the Committee did not meet on a quarterly cycle. The Committee commented that twice per year was a good frequency.
- Management had not agreed with undertaking a Peer Review because of the Phase 2 transition of staff from Publica to the Council and the prospect of local government reorganisation.

The Committee debated the merits of undertaking a Peer Review at the current time and whether to raise this with the Executive. Members commented that given the current uncertainty around local government reorganisation and the pressure on officers this probably was not the right time for a peer review on balance.

The Committee noted that Democratic Services could provide information about what training individual members had undertaken.

The Chair proposed noting the content of the report. This was seconded by Councillor Beaney, put to a vote and agreed by the Committee.

43 Final 2023/24 Audit Findings Report (ISA260) and Statement of Accounts for West Oxfordshire District Council

The report presented the Audit Findings Report and Audited Statement of Accounts for the period 1 April 2023 to 31 March 2024.

The Key Audit Partner of Bishop Fleming introduced the report, highlighting that:

- It had been Bishop Fleming's first audit of the Council.
- The audit findings report had focused on the accounts, the narrative of the accounts and the Annual Governance Statement.
- The RAG ratings were subjective but provided a useful visual summary.
- The vast majority of outstanding items had been dealt with.
- Local Government Pension funds were starting to go into surplus which required a specific accounting treatment called an asset ceiling calculation.
- The audit adjustments (section 6 of the Bishop Fleming report) that were material had all been made.
- Changes around disclosure and misstatement were intended to provide greater clarity.
- The management letter points (section 7) were relatively minor recommendations to improve things going forwards.
- The Key Audit Partner would not be able to issue a certificate at the end of the process due to a request from the National Audit Office.

In response to questions, the Chief Accountant clarified that the misstatement included in the report related to the valuation of fixed assets was not an error in the accounts. The valuations were undertaken by external valuers and the value in the accounts was the value from their report. During the audit process, the valuers were asked by the external auditors to go through their methodology and the auditors concluded that the valuations had been "rounded down" by £188,000. This was not communicated to the finance team until the draft audit

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findings report was received. The Director of Finance explained that the accounts were produced with the information available.

In response to a question about the impact and meaning of the LGPS being in surplus rather than deficit, the Chief Accountant explained that it was only as a result of the high interest rates over the last 2-3 years that had significantly increased the value of the fund assets and created an asset value. In this situation, the Council is required to calculate an “asset ceiling” to estimate the future value of existing liabilities of the pension scheme and include it in the pension scheme valuation.

The auditors requested that the Actuaries undertook this calculation for the 2022/23 financial year which in this instance resulted in a prior period adjustment of £3,085m as detailed in section 6 of the Audit Findings report. This had no effect of the outcome of the 2023/24 accounts, it was an adjustment to the opening balance of the pension scheme only. It was confirmed that the Council was not permitted to take any benefit from the scheme being an asset i.e. to reduce pension contributions, for example.

The Chief Accountant explained how credit and debit items were accounted for in the Statement of Accounts and how staff shared with Cotswold District Council were accounted for.

The Committee questioned whether the audit fees were to be confirmed. The Key Audit Partner clarified that the final fees were included in the paperwork.

The Committee commented on the usefulness of the RAG ratings which made the report more readable and enjoyable.

The Chair proposed the recommendations set out in the report. This proposal was seconded by Councillor Aitman, put to the votes and agreed by the Committee.

Councillor Ridpath proposed a Member training session on the Annual Statement of Accounts. This was seconded by the Chair, put to the vote and agreed by the Committee.

That the Audit and Governance Committee resolved to:

1. Note the contents of the report and annexes.
2. Approve the Statement of Accounts 2023/24, including the Annual Governance Statement; and
3. Authorise the Chief Finance Officer and the Chair of the Committee to write a Letter of Representation on behalf of the Committee and Council to Bishop Fleming to enable the opinion to be issued.
4. Request that a Member training session is arranged on the Statement of Accounts.

44 Internal Audit Progress Report

The report presented a summary of the audit work concluded since the last meeting of the Committee.

The Assistant Director of SWAP Internal Audit Services introduced the report and highlighted the following key points:

- Some services had transferred from Publica to the Council on 1 November 2024.
- A draft version of the 2025/26 audit plan was enclosed and comments and suggestions from Members would be welcome.

The Committee commented on the need to ensure that appropriate processes and controls were in place for the transfer of staff.

The Committee suggested including housing and homelessness services in the internal audit work plan, commenting on the importance of frontline staff having customer service and communication skills. The SWAP Assistant Director suggested that the employee induction programme could be a useful area of focus. The Director of Finance agreed to take this suggestion forward as part of the Council's emerging People Strategy.

The Committee suggested adding a new risk around customer service. The Director of Finance offered to take this suggestion to the Council's management team for consideration.

The Chair proposed that the Committee note the report. This proposal was seconded by Councillor Beaney, was put to a vote and agreed by the Committee.

The Committee resolved to note the report.

45 Audit and Governance Committee Work Programme 2024/25

The Committee questioned whether the Quarter 3 Treasury Management Performance report would include information on the Council's pooled funds. The Chief Accountant confirmed that it would, including any information relating to Thames Water.

The Committee resolved to note the Committee's work plan for 2024/25.

The Meeting closed at 7.03 pm