

## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 27 November 2024 commencing at 1.00pm and finishing at 3:47pm

### Present:

**Voting Members:** Councillor Ted Fenton – in the Chair

Councillor Roz Smith (Deputy Chair)  
Councillor Jenny Hannaby  
Councillor Charlie Hicks  
Councillor Bob Johnston  
Councillor Glynis Phillips

**Non-Voting Member** Dr Geoff Jones

### Officers:

Whole of meeting Lorna Baxter (Executive Director of Resources and Section 151 Officer), Paul Grant (Head of Legal and Deputy Monitoring Officer), Sarah Cox (Chief Internal Auditor), Mohamed Cassimjee (Democratic Services Officer)

Part of meeting Ella Stevens (Deputy Chief Accountant), Tim Chappel (Treasury Management), Ian Dyson (Director of Financial and Commercial Services), Matt Schanck (Station Manager), Daisy Hickman (Performance Improvement Manager), Jo Bowcock (Deputy Chief Fire Officer), Stephen Reid (Ernst and Young), Declan Brolly (Counter Fraud Manager), Simon Mathers (Ernst and Young), Kalthiemah Abrahams (Ernst and Young)

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting.*

## 71/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies received from Councillor Felix Bloomfield, Councillor Nick Leverton and Councillor Ian Middleton.

**72/24 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE**

(Agenda No. 2)

None.

**73/24 MINUTES**

(Agenda No. 3)

Resolved: That the minutes of the meeting held on 18 September 2024, were agreed as an accurate record and signed by the Chair subject to amendments

**74/24 PETITIONS AND PUBLIC ADDRESS**

(Agenda No. 4)

There were none received

**75/24 TREASURY MANAGEMENT MID TERM REVIEW 2024/25**

(Agenda No. 5)

The Treasury Manager presented the report and indicated the following:

The report measured, the performance for the first half of the year (1 April to 30 September 2024) against the budget agreed by Council in February 2024.

As of 30 September, the council's outstanding debt totalled £279m and the average rate of interest paid on long-term debt during the year was 4.41%. No new external borrowing was arranged during the first half of the year, whilst a £5m LOBO was repaid during the first half of the year.

During the first half of the year the Council achieved an average in-house return of 4.95% on average cash balances of £478.542m, producing gross interest receivable of £11.876m. In relation to external funds, the return for the six months was £1.834m, bringing total investment income to £13.709m. This compared to budgeted investment income of £9.276m, giving a net overachievement of £4.433m.

In response to Members the following was noted:

- Variations in the budget would be reported in the business management report with the last report being submitted to Cabinet.
- The pooled funds refer to the strategic bond funds and property funds, and from an Environmental, Sustainability and Governance (ESG) perspective there was nothing to worry about.
- Based on the forecast it was expected that interest rates were expected to be between 3% to 4 % during 2026. However, this was dependent on inflation levels and outside political factors.
- The repayment of LOBO was £5 million as well as a second repayment of £5 million which fell outside the reporting period was not included in the main report.
- Every LOBO was factored in to be repaid on the call date in the cash flow forecast.

- Regarding the Community Municipal Investments, it was an interesting way to borrow and helped engagement with the public.

Both the Chair and the Deputy Chair complemented the officers on the report.

**Resolved that the Committee:**

- a) Noted council's treasury management activity in the first half of 2024/25 and noted the council's treasury management activity in the first half of 2024/25 be noted.**

## **76/24 ERNST AND YOUNG- UPDATE**

(Agenda No. 6)

Stephen Reid, Simon Mathers and Kalthiemah Abrahms presented the reports and indicated the following:

- In terms of the County Council 2023/24 draft audit results report, the backstop date for the 2023/24 period was 28 February 2025. The intention was to therefore to complete the audit on the 2023/2024 financial statements before that backstop date.
- In terms of IFRS 16 (Inherent risk), which was a new accounting standard that deals with leasing, the County Council needed to satisfactorily adopt those standards by 2024/25.
- In terms of the Pensions report 2023/24, the audit was still in progress, and the plan was for the report to be completed in January 2025.
- Any queries that arose regarding complex pensions funds were resolved in consultation with Brunel pension group.
- In terms of the 2022/23 Pension Fund report, the report was brought before the Committee previously.
- In terms of the 2022/23 Audit Completion report, with the government enacting legislation to enact backstop dates, it was anticipated that a disclaimed opinion would be issued on the 2022/2023 financial statements.
- The reset of local government financial reporting was a national and not a specific county issue.
- There were very few outstanding issues following the signed approval of the 2022/23 financial statements for both the pension fund and the County Council and in this regard a disclaimed opinion on the Councils accounts and a clean opinion on the pension fund accounts would be issued by December 2024.

In response to Members the following was noted:

- In terms of amounts that had been paid but not cleared, an exercise is being conducted to ensure that the creditor balances had been settled.
- The matter of the amounts paid but not cleared had also been discussed with the operational finance team at the Integrated Business Centre (IBC) to explore options to address the issue.
- A correction had been made regarding the £8.2 million payable that was paid post year- end but incorrectly cleared against the year-end bank balance.

- There were no material issues regarding the issue of capital adjustment accounts as raised in the report.

**Resolved that the Committee:**

**a) Received the reports**

**77/24 STATEMENT OF ACCOUNTS 2022/23 AND 2023/24**

(Agenda No. 7)

The Executive Director of Resources and Section 151 Officer presented the report supported by the Deputy Chief Accountant and indicated the following:

The unaudited Statement of Accounts 2022/23 was published on the Council's website on 23 January 2024 for public inspection. The report presented the accounts to the Audit & Governance Committee for consideration and approval, with the disclaimed opinion report from Ernst & Young LLP's.

The Accounts and Audit Regulations 2015 also required the Director of Finance to publish the unaudited Statement of Accounts 2023/24 and certify that they give a true and fair view of the County Council's financial position and income and expenditure for the year.

In response to Members the following was noted:

- In response to the 2022/23 accounts, the Statement of Accounts reflected what had been spent for the year.
- In relation to the contingency reserves which had reduced, the figure reflected the amount of the contingency used as compared to the plan.
- In response to the 2022/23 accounts and the contingency reserves, 52% had been used and 48% was left, which was standard practice which had been recommend by Ernst and Young (EY).
- In terms of recommendations F and I, which related to further changes to the Statement of Accounts and Letters of Representation, the words "*advise subsequently the Audit and Governance Committee*" was to be added.
- Furthermore, Members were reassured that any changes made were brought to the attention of the Members of Audit and Governance Committee.

**Resolved that the Committee:**

- (a) Resolved and approved the Statement of Accounts 2022/23 at Annex 1.**
- (b) Noted the Summary Accounts 2022/23 at Annex 2.**
- (c) Agreed that no changes were required to the Annual Governance Statement 2022/23, previously approved by the Committee on 29 November 2023.**
- (d) Considered and approved the Letter of Representations 2022/23 for the Oxfordshire County Council accounts at Annex 3.**

- (e) Considered and approved the Letter of Representations 2022/23 for the Oxfordshire Pension Fund accounts at Annex 4.
- (f) Agreed that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), would make any further changes to the Statement of Accounts 2022/23 and/or letters of representation that may arise during completion of the audit and advise subsequently the Audit and Governance Committee.
- (g) Considered and approve the Statement of Accounts 2023/24 at Annex 4.
- (h) Noted the Summary Accounts 2023/24 at Annex 5.
- (i) Agreed that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), would make any further changes to the Statement of Accounts 2023/24 and/or letters of representation that may arise during completion of the audit and advise subsequently the Audit and Governance Committee

## **78/24 ANNUAL GOVERNANCE STATEMENT 2023/24**

(Agenda No. 8)

The Head of Legal & Deputy Monitoring Officer presented the report and indicted the following:

On 17 July 2024, the Committee approved the Annual Governance Statement (AGS) for the year 2023/24. Local authorities were required to prepare an AGS to be transparent about their compliance with good governance principles and gave an opinion on the effectiveness of those arrangements.

The Constitution Review Group had also been set up for Members to review the Constitution.

In response to Members the following was noted:

- The Future Council Governance Group was specifically set-up with the remit to consider future governance arrangements for the County Council and did not fall under the scope of the AGS.
- Regarding the recommendations of the Future Council Governance Group, which was forward looking, the issues contained therein would be further considered in order for a definitive answer to be provided.
- The AGS approved was for 2023/24, but the actions taken were within the present municipal year which reflected the work that had been done.

**Resolved that the Committee:**

- a) Received this update on the actions from the Annual Governance Statement 2023/24 and to make any comment upon them.

**79/24 ANNUAL REPORT ON WHISTLEBLOWING**

(Agenda No. 9)

The Head of Legal & Deputy Monitoring Officer presented the report and indicated the following:

A new Whistleblowing Policy was presented to the Audit and Governance Committee on 13 March 2024. The new policy provided greater clarity around the six categories set out in the Employment Rights Act 1996 that made a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998. The Monitoring Officer was tasked with providing training on the Whistleblowing policy and procedure which was currently being rolled out.

In terms of the process, allegations were subjected to legal tests and if the allegations satisfied the test they were sent to the appropriate officer for investigation.

In response to Members the following was noted:

- The changes made to the Whistleblower Policy, were welcomed and it is much clearer for people raising a concern on how their concerns would be addressed.
- The number of whistleblowers were low for a large organisation which could reflect the application of a strict legal criteria. However, allegations that did not meet the legal test could also be looked at from a different perspective such as a grievance procedure
- The County Council processes provided people with the necessary assurance to raise issues and concerns.
- The training of officers also ensured that the process was properly managed.
- In terms of whistleblowing investigations, the audit team would view the results irrespective of the outcomes.
- The role of trade unions had been recognised in the report which was positive. However, in terms of the contact details available the telephone numbers of the unions should also be included.

**Action:** To include a question in the survey that goes to all staff, "if staff members are aware of the whistleblowing policy and if they are comfortable to report concerns." Furthermore, to consider if mandatory training is required for all officers and Members.

**Resolved that the Committee:**

- a) **Noted the number of incidents of Whistleblowing during the 2023-24 financial year.**
- b) **Noted that training on Whistleblowing was currently being rolled out within the organisation.**

**80/24 COUNTER FRAUD UPDATE**

(Agenda No. 10)

The Chief Internal Auditor presented the report and indicated the following:

The report presented a summary of activity against the Counter Fraud Plan for 2024/25, presented to the July 2024 Audit & Governance Committee meeting. The Counter Fraud plan supported the Council's Anti-Fraud and Corruption Strategy and ensured that the Council had proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

Efforts had been intensified on the proactive side of the work, which was just as important as the reactive investigation. Work had been done on the fraud risk register and for the data matching exercise and the continued work on fraud awareness and training and some of the blue badge enforcement exercises.

In response to Members the following was noted:

- In terms of blue badge enforcement, two exercises were done thus far, and in comparison, to other similar sized authorities which had allocated more resources and time, those measures had not shown any different results to the one achieved by the County Council.
- Four cases would go for prosecution, which was a good result for the County Council.
- Attention was being focussed on hotspots where the risks were high in terms of blue badge enforcement.
- The message that was being conveyed to residents was that the County Council supported residents that needed access to spaces.
- It was noted that the NFI (National Fraud Initiative) was going to reintroduce data matching on residential placements – this provides assurance over payments made.

**Resolved that the Committee:**

- a) **Noted the summary of activity against the Counter Fraud Plan for 2024/25.**

## **81/24 FINANCIAL PROCEDURE RULES AND FINANCIAL REGULATIONS**

(Agenda No. 11)

The Director of Financial and Commercial Services presented the report and indicated the following:

It had recently been identified that the amendments to the Financial Procedure Rules and Financial Regulations updated in April 2020, which remained in current operation, had not been approved by Council. The last approved version was in 2016. The amendments made in 2020 were scheduled to be presented to Council for approval in April 2020, but the meeting was cancelled following the outbreak of the Covid 19 pandemic. The agenda item was never then rescheduled.

It was a requirement under the Constitution that Financial Procedure Rules and Financial Regulations were subject to approval by Council, therefore this issue was being reported to Audit and Governance Committee, before a report was submitted to Council on 10 December 2024 for approval.

In response to Council Members the following was noted:

- This was a procedural and technical issue that would need to be approved by Council.
- The County Council approved the amendments to section 5 of the Financial Regulations on 1 November 2022, but the authorisation limits were not highlighted for approval.
- In terms of the changes made, officers could make decisions for budgets of £50000 or less without taking it to Cabinet.
- In terms of resource allocation amounts of £1million and above required Cabinet approval.

**Resolved that the Committee:**

- a) Endorsed the amendments to the Financial Procedure Rules and Financial Regulations including those made in April 2020 that were not subject to approval; and, to submit to Council for approval at the meeting on 10 December 2024**

## **82/24 OXFORD FIRE AND RESCUE SERVICES STATEMENT OF ASSURANCE 2023/24**

(Agenda No. 12)

The Deputy Chief Fire Officer supported by the Station Manager presented the report and indicated the following:

The Fire and Rescue National Framework for England 2018 was set out as a requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters through publishing of an Annual Statement of Assurance.

In response to Members the following was noted:

- Strong collaboration was undertaken with the Thames Valley Police and projects that fall within the prevention strategy and activity was captured through that governance process.
- A formal fire improvement plan had been put into place based on the recommendations and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) report.
- Progress had been monitored and was also linked to the strategic leadership teams of Fire and Rescue Service, Community Safety Services and the Oxford County Council.
- Regarding increasing the diversity of the operational work force and engagement with the community, it was an area that was being worked on as part of the recruitment strategy.
- In terms of the contamination, the actions and initiative of the crew and work being done with the unions to produce appropriate strategies to mitigate risks had been encouraging.

- Medical checks had also been conducted on fire-fighters through the help of medical doctors to ensure a more preventative approach.

**Resolved that the Committee:**

- a) Considered and approved the Oxfordshire Fire and Rescue Service Statement of Assurance 2023/24 for publication.**
- b) Noted this document was procedural and not recommending any policy decision, strategy or project involving major change.**

## **83/24 OXFORDSHIRE FIRE AND RESCUE SERVICE 2023/2024 ANNUAL REPORT**

(Agenda No. 13)

The Performance Manager (Fire Officer and Community Safety) presented the report and indicated the following:

The Community Safety Services, Annual Report provided information to members of the public on Oxfordshire Fire and Rescue activities and performance. It demonstrated what was being done between 2023 and 2024 across the strategic priorities of protection, prevention, response, and people.

The report also highlighted the success of two officers that received the British Empire medal and the Rose award.

In response to Members the following was noted:

- The figure for safe and well visits undertaken was welcomed which included bicycle safety programmes for children.
- Regarding referrals from Oxfordshire Fire and Rescue Service to other agencies, there were no other referrals made outside Oxford City Council.
- The safeguarding of commercial premises was one of the statutory duties under the Fire and Rescue Services Act and was not regarded as a chargeable activity.
- Buildings were prioritised based on risk, and businesses were supported on how to make improvements to satisfy the safety requirements.
- Collaboration was undertaken with other blue light services, working with South Central ambulance and Thames Valley police, and no charges were incurred for anything deemed to be an emergency because it fell within the statutory ambit.
- There was a serious attempt to reduce the number of false alarms
- It will be opportune time to include Vision Zero as part of the review of the safety and prevention strategy.
- The Fire and Rescue Services were complimented for the work done to protect residents.

**Action:** Councillor Charlie Hicks requested to expand the section on Vision Zero to incorporate some comments on the SAFE system in the current annual Report. Future annual reports would include and provide a detailed breakdown of the statistics.

**Resolved that the Committee:**

- a) **Considered and approved the Community Safety Services, Annual Report 2023/24 for publication.**
- b) **Noted that the document was procedural and not recommending any policy decision, strategy or project involving major change.**

**84/24 AUDIT WORKING GROUP**

(Agenda No. 14)

The Chief Internal Auditor presented the report and indicated the following:

The Audit Working Group (AWG) met on 8 October 2024. The group received an update on the implementation of management actions that arose from the audits of Legal Case Management and also Supported Transport, which were both undertaken during 2023/24, and had the overall conclusion graded as Red. The Audit Working Group noted that good progress had been made with the implementation of the management action plan for both audits.

In response to the Council Members the following was noted:

- Councillor Bob Johnston to be the substitute for Councillor Jenny Hannaby
- Councillor Nick Leverton to be appointed as substitute for Councillor Ted Fenton
- Every Member of the Audit and Governance Committee could attend the Audit Working Group as observers, if not appointed to the AWG as formal Members

**Resolved that the Committee:**

- a) **Noted the report.**

**85/24 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

(Agenda No. 15)

The Committee noted the work programme and commented on the following:

- Due to a Council meeting to be held later in May 2025, the Audit and Governance meeting scheduled for May 2025 had fallen off the schedule.
- The possibility of rescheduling another meeting was being considered.
- No agenda items had been referred to the Audit Working Group (AWG) and therefore the meeting for December would be cancelled.

..... in the Chair

Date of signing .....