



To: **Members of the Audit & Governance Committee**

***Notice of a Meeting of the Audit & Governance
Committee***

Wednesday, 10 January 2024 at 1.00 pm

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings, please click on this [Live Stream Link](#)
Please note, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

Deadline(pubagenda)

Committee Officers: *Committee Services*
Email: committees.democraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor Brad Baines

Councillors

Yvonne Constance OBE
Ted Fenton
Jenny Hannaby

Nick Leverton
Ian Middleton
Glynis Phillips

Richard Webber

Co-optee

Dr Geoff Jones
Vacancy Co-Optee

Notes:

- ***Date of next meeting: 13 March 2024***

AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes (To Follow)**

To approve the minutes of the meeting held on 29 November 2023 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection.

To facilitate 'hybrid' meetings we are asking that requests to speak or present a petition are submitted by no later than 9am four working days before the meeting. Requests to speak should be sent to committeesdemocraticservices@oxfordshire.gov.uk

If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that your views are taken into account. A written copy of your statement can be provided no later than 9am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.

5. Annual Governance Statement - Update on Actions (Pages 1 - 10)

On 19 July 2023, this Committee approved the Annual Governance Statement (AGS) for the year 2022/23. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles and to give an opinion on the effectiveness of those arrangements. As part of the process, authorities are expected to highlight particular areas of focus for the year following.

The Director of Law & Governance and Monitoring Officer presented an update to Committee on 29 November 2023 on the thirteen areas of focus identified for 2023/24. This report to Committee is therefore a report on only those actions where an additional update is required.

The Committee is RECOMMENDED to receive this update on the actions from the Annual Governance Statement 2022/23 and to make any comment upon them.

6. Internal Audit 2023/24 Progress Report (Pages 11 - 50)

This report provides an update on the Internal Audit Service, including resources, completed and planned audits.

The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the September 2023 Committee. Since the last update, there has been one red report issued. There are no other outstanding red reports.

The Committee is RECOMMENDED to note the progress with the 2023/24 Internal Audit Plan and the outcome of the completed audits.

7. Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25 (Pages 51 - 70)

The Treasury Management Strategy & Annual Investment Strategy for 2024/25 outlines the Council's strategic objectives in terms of its debt and investment management for the financial year 2024/25.

The forecast average cash balance for 2024/25 is £463m. The Council will maintain its investment in strategic pooled funds with a purchase value of £101m (22%). The remaining £362m (78%) will be managed internally with a mixture of short, medium and long-term deposits.

The Bank of England Base Rate is forecast to remain at 5.25% until autumn 2024 and reduce to 4.00% by March 2025.

UK Government Gilt yields are forecast to fall from 4.50% to 3.00% over the medium term.

Changes to the Treasury Management Strategy will be recommended to Council to be delegated to the Executive Director of Resources & Section 151 Officer in consultation with the Leader of the Council and Cabinet Member for Finance

The Audit & Governance Committee is RECOMMENDED to endorse the Treasury Management Strategy for 2024/25 as outlined in the report.

8. Financial Management Code (Pages 71 - 88)

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed on behalf of the then Ministry of Housing, Communities and Local Government (MHCLG)¹, now referred to as the Department for Housing, Communities and Local Government (DLUHC) in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

¹ The 'Department' is referred to throughout this report given the change in name

Local authorities are expected to demonstrate that the requirements of the FM Code are being satisfied annually from 2021/22. The assessment is based on a view of the current financial year.

This is the fourth annual report to those charged with governance on the Council's compliance with the FM Code which started with an initial assessment for 2020/21 that was considered by Audit & Governance Committee in January 2021.

The report sets out the outcome of the compliance self-assessment undertaken for 2023/24 which has found that the Council is well placed to meet the requirements of the FM Code.

The Audit & Governance Committee is RECOMMENDED to Endorse the assessment of compliance against the Financial Management Code for 2023/24 (Annex 1).

9. 2022/23 Pension Fund Planning Report (To Follow)

10. Ernst & Young Update (Verbal Report)

11. Date of Next Meeting

Members to note the date of the next meeting will be 13 March 2024.

Close of meeting

An explanation of abbreviations and acronyms is available on request from the Chief Internal Auditor.

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **Date Not Specified** at **Time Not Specified** for the Chairman, Deputy Chairman and Opposition Group Spokesman.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships

- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.