

## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 20 July 2022 commencing at 2.00 pm and finishing at 4.48 pm

**Present:**

**Voting Members:** Councillor Roz Smith – in the Chair

Councillor Brad Baines (Deputy Chair)

Councillor Donna Ford

Councillor Nick Leverton

Councillor Ian Middleton

Councillor Freddie van Mierlo

Councillor Judy Roberts

Councillor Liam Walker (substituting for Councillor Ted Fenton)

**Other Members in Attendance:** Dr Geoff Jones (Co-Opted Member)

**Officers:**

Whole of meeting Anita Bradley (Director of Law and Governance), Sarah Cox (Chief Internal Auditor), Ian Dyson (Assistant Director of Finance), Richard Hodby (Solicitor), Jonathan Deacon (Interim Democratic Services Officer)

Part of meeting Richard Quayle (Chief Accountant), Tessa Clayton (Audit Manager), Declan Brolly (Counter Fraud Officer), Belinda Dimmock-Smith (Capital Programme Manager), Rob MacDougall (Chief Fire Officer), Sean Collins (Service Manager, Pensions)

**Other Persons in Attendance:** Adrian Balmer (Ernst & Young)

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.*

## **1/22 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**

(Agenda No. 1)

Apologies for absence had been received from the following Members of the Committee: Councillor Ted Fenton and Councillor Michelle Paule. Councillor Liam Walker substituted for Councillor Fenton.

## **2/22 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE**

(Agenda No. 2)

There were none.

## **3/22 MINUTES**

(Agenda No. 3)

The Committee approved the minutes of the meeting held on 11 May 2022 and authorised the Chair to sign them as a correct record, subject to the amendment that Dr Geoff Jones was included in the attendance as a co-opted member rather than as a voting member.

## **4/22 PETITIONS AND PUBLIC ADDRESS**

(Agenda No. 4)

There were none.

## **5/22 ANNUAL GOVERNANCE STATEMENT 2021/22**

(Agenda No. 5)

The Audit & Governance Committee considered a report which recommended approval of the Annual Governance Statement 2021/22, subject to the Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive and the Section 151 officer.

Anita Bradley, Director of Law and Governance, Oxfordshire County Council, presented the report. She confirmed that the Audit & Governance Committee have the responsibility of approving the Council's Annual Governance Statement each year and local authorities are required to prepare a Statement to be transparent about their compliance with good governance principles. The Statement was a reflection on the County Council's governance framework and how it complies with that to give assurance to the County Council. It formed part of the Statement of Accounts which is signed off by the Leader of the Council and the Chief Executive. It was examined by the public and external auditors.

In the subsequent consideration of this item, the following points of note were made:

- a) It was clarified that the opinion on the Council's governance arrangements could either be 'adequate' or 'inadequate'. The rating for Oxfordshire was 'adequate'. The up to date CIPFA guidance was followed and the Statement had been pared back in order to raise key aspects. It was confirmed that best

governance practice from across the country had been taken into account by senior officers, including in the review of the Council's Constitution.

- b) One of the significant governance actions flagged up to the Committee in the report was to 'review resource to deal with data subject access requests in view of an increase in the numbers of requests being received'. The update provided at the meeting was that the County Council had, at the beginning of May, started addressing the backlog of requests which had arisen during the Covid Lockdown period. Two members of staff were working on this backlog with the aim of finalising this work at the beginning of August.
- c) It was noted that the procurement strategy was due to be presented to SLT in Autumn 2022. It was agreed that in the event of any significant changes to the procurement strategy, the Committee would be informed of these.
- d) The Committee noted that in respect of the 'Financial Management Code of Practice – Summary Compliance Assessment 2021/22' included in the report, all 19 Standards had been assessed as Green meaning that compliance had been demonstrated throughout. The Committee requested that their thanks be recorded for this achievement. The Committee was advised that the Assessment was required to be produced every year with compliance of the Standards being regularly reviewed.
- e) It was confirmed that there was work progressing which was looking at the governance arrangements between Oxfordshire County Council and the Hampshire Partnership/Integrated Business Centre, referred to in the report. This included a high level business case and ongoing work on specific aspects of the service provided. The anticipated timescale for completion of this work would be confirmed.
- f) It was stated in the report that 'for 2022/2023 the focus will be on Risk Management training across the organisation to support strategy for the Senior and Extended Leadership Teams'. It was agreed that the updated deadline would be circulated to the Committee.
- g) The Committee did not seek any amendments to the Annual Governance Statement 2021/22. It was agreed that officers would review the Overview of Corporate Governance Assurance Framework flowchart for next year's Annual Governance Statement to see if it could be made easier to understand.

**RESOLVED:** That the Audit & Governance Committee APPROVED the Annual Governance Statement 2021/22.

**ACTIONS:**

1. The anticipated timescales for e) and f) above to be circulated to the Committee (Ian Dyson)
2. To look at whether the Overview of Corporate Governance Assurance Framework flowchart can be simplified for next year's Annual Governance Statement (Ian Dyson and Anita Bradley).

**6/22 ERNST & YOUNG - UPDATE AUDIT**  
(Agenda No. 6)

An oral update was provided to the Committee by Adrian Balmer of Ernst & Young, the external auditors. He explained that the audit process was yet to be completed.

In terms of the 2020/21 accounts, valuations had had to be re-worked across 60 assets. This had been an extensive piece of work which was now reaching its conclusion. One matter would continue to be outstanding in respect of the 2020/21 accounts which was the infrastructure assets. This was an issue where resolution was sought on a national level.

Mr Balmer stated that good progress had been made in planning for the audit of the 2021/22 accounts, including letters of inquiry, third party investment confirmations and initial planning queries having been sent out. The draft accounts were due to be received by the end of July and the Committee was due to receive the draft audit plan for 2021/22 at the September meeting.

In response to questions from the Committee, the points were made that if the infrastructure matter was an ongoing known issue and if it was not resolved it had the potential to impact on the 2021/22 accounts as well.

**RESOLVED:** That the update be NOTED.

## **7/22 STATEMENT OF ACCOUNTS 2021/22**

(Agenda No. 7)

The Audit and Governance Committee considered a report which set out the latest position on the preparation and audit of the 2021/22 Statement of Accounts and which sought agreement from the Committee that the Director of Finance would be able to approve a draft set of accounts by 29 July 2022.

The report was presented by Richard Quayle, Chief Accountant, Oxfordshire County Council. He referred to the infrastructure assets matter discussed in the previous item, adding that it was hoped that CIPFA would provide a statement on this issue soon. He also clarified that there was no specific requirement for the Committee to delegate responsibility to the Director of Finance to approve a draft set of accounts. It was however seen as best practice for this request to be made of the Committee. The draft accounts would be circulated to the Committee prior to publication on the website. The Committee would also receive the submitted final set of accounts for consideration in November.

It was agreed that if there was news of a resolution of the infrastructure assets issue, the Chair of the Committee would be consulted and Members of the Committee would be informed.

The Committee requested that their thanks be formally recorded for the work of Richard Quayle and his team in progressing the 2020/21 and 2021/22 Statement of Accounts.

**RESOLVED:** That a draft set of accounts be APPROVED by the Director of Finance by 29 July 2022.

**ACTION:** In the event there was news of a resolution of the infrastructure assets issue, the Chair of the Committee would be consulted and Members of the Committee would be informed (Ian Dyson).

## **8/22 REPORT OF THE AUDIT WORKING GROUP 22 JUNE 2022**

(Agenda No. 8)

Sarah Cox, Chief Internal Auditor, presented a report of the Audit Working Group (AWG) held on 22 June 2022. She stated that the AWG had considered three internal audits, GDPR, Fleet Management and Cleaning Asset Management. They had been content with the progress resulting from the actions being taken for all three of the internal audits. They had also requested that updates were provided for the GDPR internal audit at the February 2023 AWG meeting and the Fleet Management internal audit at the April 2023 AWG meeting.

**RESOLVED:** That the report be NOTED.

## **9/22 INTERNAL AUDIT CHARTER 2022/23**

(Agenda No. 9)

The Committee received a report requesting approval for the Internal Audit Charter and to note the Quality Assurance and Improvement Programme for 2022/23.

The report was presented by Ms Cox. She explained that it was a requirement of public sector internal audit standards that the documents were both subject to annual review. There had been no material changes since the Committee had given their approval for the Internal Audit Charter in July 2021. An external assessment was due later in the year which took place approximately every five years. The date was yet to be confirmed. Once the external assessment had taken place and the results received, this would be brought to the Committee's attention. The internal self-assessment had found that standards were still being met.

In the subsequent discussion, the following points were clarified:

- a) There was a deputy Section 151 officer in place at the County Council.
- b) Ms Cox advised that she and her team were adequately resourced to provide assurance. The challenge was not current resources or the structure but being able to identify and recruit the right people, given the skillset required.
- c) There was a discussion as to whether the Internal Audit Charter needed to be approved by the Committee. It was noted that this had been discussed in previous years and that the main purpose of the paper had been for the Committee to provide oversight in respect of the work of the Chief Internal Auditor in producing the Internal Audit Charter.
- d) It was agreed, in line with the Chair's request, that in the event there were no significant changes to the Internal Audit Charter in future years that officers look at providing an electronic link to the document rather than providing it in full in the agenda papers.

**RESOLVED:**

- a) The Internal Audit Charter be APPROVED; and,
- b) The Quality Assurance and Improvement Programme be NOTED.

## **10/22 COUNTER-FRAUD PLAN 2022/23**

(Agenda No. 10)

The Committee considered a report providing a summary of activity against the Counter Fraud Plan for 2021/22 (which had been previously presented to the July 2021 Committee meeting) and also the Counter Fraud Plan for the coming year 2022/23.

Ms Cox presented the report. She was accompanied for this item by Tessa Clayton, Audit Manager and Declan Brolly, who was shortly to become a Senior Counter Fraud Officer. She commented that the team had delivered a successful first full year of the new Counter-Fraud service, dealing with cases in a timely way. Proactive work was being undertaken, including broad awareness training. The team had now taken on the responsibility for whistleblowing cases. Ms Cox explained the changes to the structure of the team which would be taking place following Ms Clayton's departure from the County Council.

In the subsequent discussion, the following points were clarified:

- a) An opportunity had been provided to recruit an apprentice / junior auditor. This would be for a 2 year fixed term contract and the minimum training period was approximately 18 months.
- b) The report referred to the Counter Fraud team having undertaken two on-street Blue Badge Enforcement exercises this year. Ms Cox added that this had been over a six month period since the team had taken on responsibility for the Enforcement. The aim was to undertake three to four of these exercises per year.
- c) Debt recovery was undertaken by specialists in this area who were separate from the Counter Fraud team.

### **RESOLVED:**

- a) the summary of activity against the Counter Fraud Plan for 2021/22 be NOTED; and,
- b) the Counter Fraud Plan for 2022/23 be APPROVED.

## **11/22 UPDATE ON CAPITAL GOVERNANCE**

(Agenda No. 11)

The Committee received an update on the Capital Programme from Belinda Dimmock-Smith, Capital Programme Manager. She took Members through the presentation which had been included in the agenda papers. There would be a review of the Capital Programme in the Autumn with the aim of reporting back to Cabinet in September.

In the subsequent discussion, the following points were clarified.

- a) It was queried how the Programme would reduce the likelihood of slippage in project timetables. The response was received that the new arrangements would help to intervene where there were delays. The Strategic Capital Board was placing an emphasis on more realistic project deadlines. Forecasting was being challenged. The new structure also brought clarity in terms of responsibilities and accountabilities. The role of Capital Programme Manager provided an independent oversight to report to the Strategic Capital Board. Improved reporting had been developed as part of the implementation programme.
- b) The structures had been informed by best practice and Oxfordshire was liaising with other local authorities to look at where they had experienced similar challenges. An example was Buckinghamshire who had increased the delivery of their scheduled programme to 80%.
- c) It was agreed that the Implementation Plan in the presentation would be updated to reflect that there was a two year implementation programme. It was clarified that this implementation process had started a number of months ago.
- d) The quarterly reporting to Cabinet was perceived as very finance driven and it was being reviewed to examine how it could be improved.
- e) Members of the Committee asked how they could follow up progress regarding specific projects or schemes. Ms Dimmock-Smith offered to be a contact point and approach the specific Project Manager or Project Team associated with the specific scheme on their behalf as she manages the overall Capital Programme.
- f) It was recommended that the projects were RAG rated to see which were on track. Ms Dimmock-Smith responded that she would take into account the feedback. A dashboard was in the process of being developed.
- g) The Committee noted that the Property team was implementing the Concerto system which was a new property asset management system. It was understood that data on any property could feasibly be accessed from anywhere in Oxfordshire. The Concerto system was currently due to be rolled out in 2023.
- h) The Committee was informed that the Property Programme Board oversaw the Council's portfolio of assets including school expansions, new school builds, changes to libraries, fire stations as well as the disposals programme.

**RESOLVED:** That the Committee NOTED the presentation and commented as set out above.

## **12/22 AMENDMENTS TO THE COUNCIL'S CONSTITUTION AND ITS PRESENTATION (INCLUDING RECOMMENDATIONS FROM THE CONSTITUTION REVIEW WORKING GROUP)**

(Agenda No. 12)

The Committee considered a report with a number of proposed recommendations to Council for amending the Council's Constitution and its presentation. An addenda was also received which proposed a new Part 2 to the Constitution relating to the Fire and Rescue Service.

The report was presented by Ms Bradley. She stated that this was the culmination of a significant piece of work which had been undertaken with Members and officers, including nine meetings of the Cross Party Constitution Working Group. She confirmed that the recommendations were to Council as this was the body required to approve any changes to the Constitution.

Ms Bradley explained that Members of the Working Group had been keen to update the look, content and structure of the Constitution. This had included removing the articles from the beginning of the document in order to prevent repetition. She added that she was seeking delegation from the Committee to herself to have the ability to make textual amendments in case there were any inconsistencies or cross-referencing errors in the revised document.

Other changes included that there was a video and diagram setting out how the Council operates.

Ms Bradley and Rob MacDougall, Chief Fire Officer, also advised that there had been a long standing request to ensure that the Council had reference to the Channel Panel, which the Chief Fire Officer has responsibility for, in the Constitution and it had been decided to add the Fire and Rescue Service into the new Part 2 section of the Constitution.

In the subsequent discussion, the following points were raised:

- a) Members of the Committee confirmed they were content to recommend to Council the proposed new Part 2 of the Constitution relating to the Fire and Rescue Service.
- b) It was noted that some of the committee memberships listed in the Constitution were out of date following the changes in May. Ms Bradley informed the Committee that there was a plan to add links from Modern.Gov, used by Democratic Services, to the Constitution. This would enable the committees' membership to be updated electronically without having to manually update the Constitution document.
- c) It was requested that further changes were made to the Constitution in relation to Section 17 Voting. This was due to Members' votes not being recorded on the Council's websites as stipulated in Section 17.2; it not being clear how the seven Members requested a recorded vote in Section 17.4 and a query whether Section 17.6 was needed for a Member to request a recorded vote given this was already referred to in Section 17.2.

It was noted that the Constitution Working Group had been keen to bring proposals to Council in September as it had not been reviewed in a number of years. There would be a further opportunity to review Section 17 of the Constitution.

- d) It was confirmed that the work to fully integrate the relevant Constitution documents into the website was being carried out internally and would not have cost implications. Most of this work had already been undertaken.
- e) A concern was expressed that the Working Group had agreed that clause 13.5 of the Council Procedure Rules should be amended to require that amendments to Motions on Notice should be submitted by 9am at least two



working days before the relevant Council meeting (the current Rules allowed them to be submitted one working day before). The concern was that Members would no longer have weekends to consider submitting amendments to Motions on Notice. It was stated in response that the Monitoring Officer was currently given a deadline on Monday morning which did not give the Groups proper oversight of the amendments being received or the necessary time to consider them. It would also give the Monitoring Officer time to give proper advice to the Groups. Whilst Members might lose a weekend in considering an amendment they wished to make, they would gain a weekend in considering amendments others had made.

- f) Councillor Middleton expressed concerns that he did not believe Members had had sufficient time to endorse the changes suggested by the Working Group in order that they could then be considered by Council. He was also of the view that more of the meeting could have been devoted to this item to examine the proposed changes to the Constitution in more detail. He was also seeking that there was an electronic version with track changes.

It was noted that Members of the Working Group had been asked to report back to the Groups to go through with Members what had been happening at the Working Group meetings. There had been a delegation from the Committee to the Working Group to update the Constitution. There had also been an executive summary setting out the changes that had been made. The only changes of substance were to the Contract Procedure Rules whilst other changes were editing or avoiding repetition. There was the option to comment on any amendments at the September Council meeting. It was the long term plan for the Constitution to become an electronic document.

- g) The Committee wished to record its thanks to the Working Group Members and officers.

**RESOLVED:** That the Committee RECOMMENDED to Council to APPROVE:

- (a) The changes to the presentation of the Constitution on the Council's website referred to in paragraphs 3 to 7 of the report
- (b) The video and diagram referred to in paragraphs 8 to 10 of the report for inclusion on the Council's website
- (c) The proposals for the incorporation of all of the current Articles into the main body of the Constitution referred to in paragraphs 11 to 13 of the report
- (d) The proposals for amendment to the Protocol on Members' Rights and Responsibilities, the Protocol on Member/Officer Relations, the Council Procedure Rules and the Contract Procedure Rules in the Constitution referred to in paragraphs 14 to 22 of the report
- (e) The proposed new Part 2 of the Constitution relating to the Fire and Rescue Service referred to in paragraphs 25 to 27 of this report; and,
- (f) A delegation to the Director of Law and Governance to make textual amendments to the Constitution to address any inconsistencies or correct any cross-referencing errors arising from or as a consequence of the amendments, along with updating job and group titles if those referred to in the Constitution are obsolete (insofar as the Director of Law and Governance does not already have such a delegation)

That (g) the Committee NOTED that the Code of Conduct adopted by Council on 5 April 2022 and the Current Scheme of Allowances referred to in paragraphs 23 to 24 below will be incorporated into the Constitution.

Councillor Ian Middleton requested that his abstention from the above decision (a to f) was recorded.

## **13/22 PROPOSED CHANGES TO THE CONSTITUTION OF THE PENSION FUND COMMITTEE**

(Agenda No. 13)

The Committee considered recommendations from the Pension Fund Committee meeting held on 10 June 2022. Members were content to approve recommendations (a) to (d) as set out in the report. It was confirmed in relation to (c) that anyone who had completed the statutory training for the Pension Fund Committee meeting in line with the policy could act as a substitute. There did not have to be a named substitute replacing an individual.

Members expressed concerns regarding recommendation (e). It was appreciated that the Pension Fund Committee wished to attract sufficiently trained Members to do the statutory work but there were other cases of required Member training for County Council meetings. It was not considered appropriate for the independent Remuneration Panel to meet specifically to decide on whether Members of the Pension Fund Committee (and their trained substitute Members) and the Local Pension Board, be considered for an allowance at this time. It was agreed that the Audit and Governance Committee would recommend to Council that when the independent Remuneration Panel was next due to formally meet, they would undertake a full review of Members' responsibilities and commitments relating to their roles and consider the appropriateness of whether an additional allowance should be provided in relation to specific roles.

**RESOLVED:** That the Committee ENDORSE the recommendations agreed by the Pension Fund Committee as set out below and RECOMMEND them to Council.

- (a) The contents of the report be noted.
- (b) That approval be given to amend the Governance Policy to mandate all Members of the Committee to complete training in line with the Training Policy as set out in paragraph 18 of the report.
- (c) That approval be given to only named substitutes of the Committee being allowed where they have completed training in line with the Training Policy.
- (d) That Council be RECOMMENDED to make the appropriate changes to the Terms of Reference and Constitution of the Pension Fund Committee to formalise the new governance arrangements.

The Audit and Governance Committee also RECOMMEND to Council that:

- (e) That when the independent Remuneration Panel is next due to formally meet, a full review be undertaken of Members' responsibilities and commitments

relating to their roles and the appropriateness of whether an additional allowance should be provided be considered in relation to specific roles.

**14/22 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2022/23**  
(Agenda No. 14)

Members considered the Audit & Governance Committee Work Programme 2022/23.

Ms Bradley advised that the Constitution Review report at the Audit and Governance meeting on 21 September would look to reflect discussion of the Constitution at Council on 13 September. The Audit and Governance report would include the expectation that the Review would continue, scoping the work for the next phase. It would also take into account councillors' comments about how the documentation should be presented. It would be a matter for Council as to whether they would ultimately approve the proposed changes to the Constitution. It would not require the Council to decide whether the Review process continued.

It was noted that a training session on counter-fraud was scheduled to be provided prior to the next meeting of the Committee on Wednesday 21 September.

**RESOLVED:** The Audit and Governance Committee Work Programme 2022/23 be NOTED.

..... in the Chair

Date of signing .....