

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 15 September 2021 commencing at 2.00 pm and finishing at 4.50 pm

Present:

Voting Members: Councillor Roz Smith – in the Chair

Councillor Brad Baines (Deputy Chair)

Councillor Donna Ford

Councillor Nick Leverton

Councillor Dan Levy

Councillor Ian Middleton

Councillor Jane Murphy

Councillor Michael O'Connor

Councillor Judy Roberts

Dr Geoff Jones

Non-voting Members Dr Geoff Jones

By Invitation: Maria Grindley and Chandrika Sharma, Ernst & Young

Officers:

Whole of meeting Sarah Cox, Chief Internal Auditor, Anita Bradley, Director of Law and Governance and Monitoring Officer, Lorna Baxter, Director for Finance, Katherine Kitashima, Audit Manager, Glenn Watson, Principal Governance Officer, Lucy Tyrrell, Committee Officer

Agenda Item

Officer Attending

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Richard Webb, Assistant Director of Regulatory Services

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting] [the following additional documents:] 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.

54/21 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

None received.

55/21 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

None received.

56/21 MINUTES

(Agenda No. 3)

The minutes of 21 July 2021 were agreed by the Committee as an accurate record of the meeting.

In response to a query from Councillor Brad Baines, Sarah Cox, Chief Internal Auditor, confirmed that an update on the Blue Badge holder checks will come to this Committee as part of the Counter Fraud Update paper in November.

57/21 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

None received.

58/21 STATEMENT OF ACCOUNTS UPDATE

(Agenda No. 5)

Lorna Baxter, Director of Finance introduced the report which set out the issues identified during the latter part of the audit and the additional work that is being undertaken, including further amendments to the accounts so the audit can be finalised.

In response to Members' questions, Lorna Baxter advised the following:

- The audit is now not expected to be completed until October; however, this will not include sign off of the Whole of Government Accounts (WGA) as the data collection tool kit will not be released by central government until December. The auditors do not need to complete their work on WGA to reach their opinion on the audit, however this work must be completed before the audit certificate can be issued.
- The majority of Property, Plant and Equipment valuations are carried out in-house by specialist RICS valuers, however the valuation of care homes was outsourced, and the contract for this work would need to be reviewed to determine liable costs arising from additional work undertaken.
- The process for undertaking and verifying valuations will be reviewed during October 2021 to ensure a more robust process is in place for the preparation of the 2021/22 statement of accounts, which will be communicated to Members when this has been finalised. **(ACTION)**
- There is a short-term interim Chief Accountant to cover the vacancy of Head of Corporate Finance and are actively recruiting for this position.

RESOLVED to endorse the report.

59/21 ERNST & YOUNG - AUDIT RESULTS REPORT

(Agenda No. 6)

Maria Grindley and Chandrika Sharma of Ernst & Young presented the following report: Oxfordshire County Council Audit Results Report Year Ended 31 March 2021

which contained their substantive findings related to the areas of audit emphasis, their views on Oxfordshire County Council's accounting policies and judgements and material internal control findings.

Maria Grindley highlighted that the audit work in respect of the Council opinion is substantially complete, however there have been delays in respect of valuation information on Property, Plant and Equipment which has extended the audit work, however it is expected that the accounts will be signed off in October subject to the remedial works being completed to the correct requirements. This will be followed by the VFM Commentary; however, the Certificate cannot be completed until the WGA is complete which is awaiting further guidance from central government.

Maria Grindley and Chandrika Sharma responded to Members' queries as follows:

- There are no issues identified on journal entry testing to report to this Committee meeting, however any identified will be included in the final report.
- There was a difference noted on the accounting for Dedicated School Grant (DSG) unusable reserve of approximately £1 m, currently in the unadjusted differences schedule, and once amended will be recorded as an amended misstatement. However, if not amended will form part of our letter of recommendation. Lorna Baxter, Director of Finance confirmed that as detailed in her report, an additional £0.9m from High Needs DSG will be moved from Earmarked Reserves to the DSG Adjustment Account.
- Lorna Baxter advised that work has commenced in preparation of the implementation of the new leasing standards for local authorities and Maria Grindley added that they have identified the leases in place and formulated work required around that. Members requested a briefing session, of which will be agreed with Lorna Baxter. **(ACTION)**
- The review into the assessment and disclosures on going concern have been completed and are satisfied that the going concern disclosure written into the statement of accounts adequately reflects the Council's going concern assessment.

In response to a question from Councillor Brad Baines, Lorna Baxter advised that the error identified in the audit of the treatment of the Top Up Grant on the Firefighter's Pension Fund was due to human error, however advised this has been amended.

The Committee went on to consider the report 'Oxfordshire Pension Fund Audit Results Report year ended 31 March 2021'.

In response to a question from Councillor Roz Smith, Lorna Baxter advised that the Pension Fund Annual Report for the year ended 31 March 2021 had been presented to the Pension Fund Committee meeting of 10 September 2021, and Maria Grindley advised that Officers have advised this document will be received today.

Maria Grindley responded to other Members' questions as follows:

- No concerns have been raised from the testing of journals involving investment income and valuation, and this is highlighted as a general area of concern for note only.

- Items relating to the completion of the audit outstanding at the time of writing the report are now confirmed to have been completed, however advised that the audit is still ongoing.
- The Pension Fund accounts will be signed alongside the Council's accounts; however, this audit will be completed by the end of September.

60/21 INTERNAL AUDIT PROGRESS REPORT 2021/22

(Agenda No. 7)

Sarah Cox, Chief Internal Auditor, introduced the report which provided an update on the Internal Audit Service including resources, completed and planned audits. The report included individual Internal Audit reports since the last report to the June 2021 Committee and highlighted that since that update, no further red reports have been issued.

In response to Members' questions, Sarah Cox advised of the following:

- Whilst it is positive to receive extended engagement from Corporate Directors, performance indicators may have to be extended for this work to take place and will be reported in the January update.
- Ombudsman Reports and other external reviews feed into audit planning and any specific concerns would come through Corporate Directors.
- The Property/Facilities Management audit scheduled for Q3/4 may be pushed back due to the current restructuring taking place, however, expect the audit will be able to provide support/scope in Q4 during this process. Members advised they would like feedback on the restructuring progression at the next meeting. **(ACTION)**.
- The weakness identified in the vulnerability scanning tool used by IT Services has been fully acknowledged and addressed.

RESOLVED to note the progress with the 2021/22 Internal Audit Plan and the outcome of completed audits.

61/21 SURVEILLANCE COMMISSIONER'S INSPECTION AND REGULATION OF INVESTIGATORY POWERS ACT

(Agenda No. 8)

Anita Bradley, Director of Law and Governance and Monitoring Officer introduced the report which provided a summary of the covert activities undertaken by the council between April 2020 and March 2021, and to review and comment on the council's Regulation of Investigatory Powers Act Policy.

Anita Bradley and Richard Webb, Assistant Director of Regulatory Services responded to Members' queries as follows:

- CCTV is outside the scope of this Act as it is covert, however it can be used if required for additional evidence.
- Joint work takes place with the Police during investigations. In relation to RIPA, one agency authorises activity so the lead investigator will undertake this and do separately.
- There is a code of practice on the use of underage volunteers with full agreement and collaboration with their parents/carers.

- Guidance linked to the policy, available on our intranet, states clearly if taking surveillance not as part of RIPA should come to the Monitoring Officer for decision and is extremely rare.
- Additional safeguarding measures for underage volunteers could be included within the policy, however these are already covered within Trading Standards internal procedures. However, Members requested that an additional section on safeguarding of underage volunteers be inserted into the introduction of the Policy on Compliance with the Regulation of Investigatory Powers Act 2000 (RIPA). **(ACTION)**

RESOLVED to

- (a) Consider and note the use of activities within the scope of the Regulation of Investigatory Powers Act by the Council, and**
- (b) Note the Policy document at Annex 1 and to comment on any changes to the Policy for Compliance with the Regulation of Investigatory Powers Act 2000 that the Committee would wish the Monitoring Officer to consider when revising the Policy subject to the inclusion of a reference on safeguarding of underage volunteers.**

62/21 LOCAL GOVERNMENT OMBUDSMAN'S REVIEW OF OXFORDSHIRE COUNTY COUNCIL

(Agenda No. 9)

Anita Bradley, Director of Law and Governance and Monitoring Officer introduced the report that updated the Committee on the Annual Review Report issued by the Local Government and Social Care Ombudsman (LGSCO) relating to complaints made to the LGSCO about the Council in the previous financial year, reflecting on those complaints that were considered by the Ombudsman up to 31 March 2021.

In response to queries raised by Members, Anita Bradley responded as follows:

- Customer complaints are in a different area of the Council, and currently under a performance review. Members requested that the process of complaints be included in this report for future reference. **(ACTION)**
- The 16 reported cases are the number of cases investigated by the Ombudsman rather than those received by the Council.
- Comparative data and trends could be included in future reports.
- The Voice of the Customer project focuses on ensuring that the outcome of the customer is as good as it could be at the first opportunity and will provide further statistical analysis when finalised.
- Members requested statistical data regarding the number of residents and how this may have increased compared to the number of complaints received by area, of which Anita Bradley agreed to review and report back in her next report. **(ACTION)**

RESOLVED to comment on the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2020/21, and the work undertaken by the Council since with regard to its handling of complaints.

63/21 MONITORING OFFICER ANNUAL REPORT

(Agenda No. 10)

Anita Bradley, Director of Law and Governance and Monitoring Officer introduced her report which gave an overview of democratic and ethical governance activity during the year 2020/21, in relation to the functions of the Committee. The report reflected on the implications of the pandemic for democratic decision making, the occurrence of code of conduct complaints and other member-related matters.

Anita Bradley responded to Members' questions as follows:

- Members Allowances come under Full Council and will form part of the February Full Council meeting as part of the budget setting process.
- Changes in legislation on punitive measures on Councillor behaviour have not received parliamentary time, and following the Committee on Standards in Public Life recommendation, it is acknowledged the sanctions are not sufficient, however would appeal to Members to set the tone via peer pressure and group discipline.
- The rise of social media use by Councillors would suggest a social media policy beneficial for the Council, the current policy is not linked to the code of conduct for Councillors and will undertake to review this. (**ACTION**)

RESOLVED to consider and endorse the report with the additional recommendation of additional Councillor Code of Conduct training.

64/21 CONSTITUTIONAL REVIEW WORK PROGRAMME

(Agenda No. 11)

Anita Bradley, Director of Law and Governance and Monitoring Officer introduced the report which proposed that the Monitoring Officer undertake a review of the constitution to ensure that it is fit for purpose, supported by a Councillor Constitution Working Group.

In response to Members' queries, Anita Bradley advised of the following:

- Named substitutes could be included, however it is more important that Members are engaged and willing to support the review process.
- Expertise from officers across the Council will be called upon for input and will be supported by the Monitoring Officer to ensure legislation is followed and encompassed within the document.
- Council structure is not part of this constitution review, a change of governance would come from Full Council following its annual meeting, and instruction thereof is outside the remit of this Committee.
- The terms of reference for this Committee would require further review to undertake a governance review of the whole Council, however, would require the Monitoring Officer to take further advice prior to implementation.

RESOLVED to

(a) Consider the result of the Member engagement exercise on the Constitution set out in Appendix 1.

(b) To endorse the process for the 2021 review of the Constitution.

(c) To comment on the proposed Project Plan for the review.

- (d) To agree to the establishment of an informal cross-party Constitution Review Working Group comprising 3 Liberal Democrat-Green Alliance Group members, 3 Conservative-Independent Alliance Group members, 2 Labour & Co-operative Party Group members and 1 Independent member.
- (e) Consideration be given to further member training to undertake the Constitutional Review.

65/21 AUDIT WORKING GROUP

(Agenda No. 12)

Dr Geoff Jones introduced the report which summarised the meeting of the Audit Working Group meeting held on 8 September 2021 where the group received the quarterly update from Internal Audit. Officers attended to provide updates on the implementation of the agreed action plan from the 2020/21 audit of Childrens' Placement Vacancies. The group also reviewed the reporting and assurances arrangements over risk management to both the AWG and Audit & Governance Committee.

RESOLVED to note the report.

66/21 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2021/22

(Agenda No. 13)

The following amendments/additions were made to the Audit & Governance Work Programme 2021/22:

19 January 2022 change to 05 January 2022

Constitution Review (Anita Bradley/Glenn Watson)

16 March 2022

Constitution Review (Anita Bradley/Glenn Watson)

..... in the Chair

Date of signing