



To: Members of the Audit & Governance Committee

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

Wednesday, 16 March 2022 at 2.00 pm

County Hall, Oxford, OX1 1ND

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

A handwritten signature in black ink that reads "Stephen T Chandler".

Stephen Chandler
Interim Chief Executive

Committee Officers: Cameron MacLean
Tel: 07526 985978 Email: cameron.maclean@oxfordshire.gov.uk

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor Brad Baines

Councillors

Donna Ford
Nick Leverton
Dan Levy

Ian Middleton
Michael O'Connor
Judy Roberts

Ted Fenton
Vacancy

Co-optee

Dr Geoff Jones

Notes:

- **Date of next meeting: 11 May 2022**

Declarations of Interest

The duty to declare....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or email democracy@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Apologies for Absence and Temporary Appointments**

2. **Declaration of Interests - see guidance note**

3. **Minutes (Pages 1 - 12)**

To approve the Minutes of the meeting held on 05 January 2022.

4. **Petitions and Public Address**

5. **Audit & Governance Committee Annual Report (Pages 13 - 30)**

2.10 p.m.

Report by the Director of Finance.

In accordance with The Chartered Institute of Public Finance & Accountancy (CIPFA) Audit Committee Guidelines for Local Authorities 2018, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the Committee has discharged its responsibilities.

The Audit & Governance Committee is **RECOMMENDED** to review the draft report, agree any amendments, and finalise in preparation for presentation to Council by the Chair of the Audit & Governance Committee.

6. **Government's Measures to Improve Local Audit Delays (Pages 31 - 34)**

2.25 p.m.

Report by Director of Finance

The Government is continuing to prioritise measures to improve timeliness and support capacity as part of the response to the [Redmond Review](#) on Local Authority financial reporting and external audit.

The Audit and Governance Committee is **RECOMMENDED** to note the key measures outlined in Section 3.

7. **Scale of Election Fees 2022-23 (Pages 35 - 44)**

2.40 p.m.

Report by Corporate Director Commercial Development, Assets, and Investment

The Audit and Governance Committee is **RECOMMENDED** to note the Scale of Election Expenses for the Financial Year 2022/23 for any poll associated with the County Council during the year (Annex 1).

8. **Counter Fraud Update (Pages 45 - 52)**

2.55 p.m.

Report by the Director of Finance

This report presents a summary of activity against the Counter Fraud Plan for 2021/22, presented to the July 2021 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

The Committee is **RECOMMENDED** to note the summary of activity against the Counter Fraud Plan for 2021/22.

9. Operation Edifice Investigation (Pages 53 - 70)

3.10 p.m.

Report by Corporate Director – Commercial, Development, Assets & Investment (CDAI)

This report presents a summary of the investigation named 'Operation Edifice' conducted by the Council's Counter Fraud team since September 2020 and overseen by the Corporate Director CDAI.

The Committee is **RECOMMENDED** to -

- (a) Note the findings from the 'Operation Edifice' investigation.
- (b) Consider the management response and Action Plan resulting from the investigation in Annex 1.

10. Proposed Oxfordshire Code of Conduct (Pages 71 - 88)

3.25 p.m.

Report by Director of Law and Governance

Section 27(2) of the Localism Act 2011 requires local authority must adopt 'a code dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity.

The Audit and Governance Committee is **RECOMMENDED** to adopt the revised Councillors' Code of Conduct at Appendix (1) for implementation from 1 May 2022.

11. Report of the Audit Working Group (Pages 89 - 92)

3.55 p.m.

Report by the Director of Finance.

This report presents the matters considered by the Audit Working Group at its meeting on meeting of 21 January 2021.

The Committee is **RECOMMENDED** to note the report.

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 virtual pre-meeting briefing at on **Monday, 14 March at 10.00 a.m.** for the Chairman, Deputy Chairman and Opposition Group Spokesman.

Public Document Pack Agenda Item 3

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 5 January 2022 commencing at 2.00 pm and finishing at 4.45 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 Michael O'Connor
Councillor Judy Roberts

Non-voting Members: Dr Geoff Jones

Other Members in Attendance: None

By Invitation: None

Officers:

Whole of meeting Lorna Baxter, Director of Finance
Sarah Cox, Chief Internal Auditor
Anita Bradley, Director of Law and Governance

Part of meeting

Agenda Item	Officer Attending
Item 5/22	Tim Chapple, Treasury Manager
Item 7/22	Keith Stenning, Community Operations Tessa Clayton, Audit Manager Lucie Maycock, Customer & Culture
Item 8/22	Melissa Sage, Head of Procurement Contract Management

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.

1/22 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Councillor Ted Fenton and from Councillor Jane Murphy who was to have substituted for Councillor Fenton.

2/22 DECLARATION OF INTERESTS

(Agenda No. 2)

There were no Declarations of Interest.

3/22 MINUTES

(Agenda No. 3)

The minutes of the meeting of the Audit & Governance Committee of 17 November 2021 were agreed and the Chair was authorised to sign them as a correct record.

Actions

The following actions as set out in the minutes were noted –

Item 72/21 Update on Closure of Accounts 2021/22: The Director of Finance to circulate to Members of the Committee the value of non-current assets.

Item 75/21 Counter Fraud Update: The Director of Finance -

(a) Had circulated to Members of the Committee information comparing the number of fraud cases referred by Oxfordshire County Council to the Police for investigation with the number of cases submitted by other local authorities to the Police for investigation.

(b) A training session for Members of the Committee in relation to fraud cases, including definitions, terminology, and analysis of current fraud cases, had been included in the proposed Workshops Programme.

4/22 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

No petitions had been received and there had been no requests by Members of the Public to address the Committee.

5/22 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2022/23

(Agenda No. 5)

The Committee considered a report setting out proposed changes to the Treasury Management Strategy which would be referred to Council for approval, along with a recommendation that the Director of Finance, in consultation with the Leader of the Council and the Cabinet Member for Finance, be granted the necessary delegated authority in accordance with the proposed changes.

It was recommended that the Audit & Governance Committee endorse the Treasury Management Strategy for 2022/23 as outlined in the report.

Tim Chapple, Treasury Manager, presented the report.

In the subsequent discussion, the following points were raised.

- (a) The Chair noted that, in Paragraph 8 of the report, it stated that the introduction of a “Liability Benchmark” was set out in Paragraph 50 of the report. This was, in fact, set out in Paragraphs 51 *et seq.* of the report [under the subheading “Liability Benchmark”].
- (b) Regarding the “Changes from 2021/22 Strategy” (Paragraph 7 of the report), it was proposed that, following a review of the balance sheets for the current year, the long-term lending limit for 2021/2023 be increased from £185 million to £205 million.
- (c) While noting LIBOR, it had not previously been used by the Council as a financial benchmark, and that officers now referred to the Sterling Overnight Index Average (SONIA) as a benchmark for measuring performance.
- (d) If, under a LOBO (Lender Option Borrower Option) agreement, the lender chose to increase the rates under the loan agreement, the Council would repay the loan and seek alternative funding at a lower rate.
- (e) The proposed changes in the 2021-2023 strategy were based on projections of average cash balances over the medium term with just under £50 million retained for long-term investments.
- (f) Regarding the Oxfordshire County Council Liability Benchmark 2022/23 [Page 18 of the agenda pack], this reflected the Council’s Capital Financing Requirement minus Minimum Revenue provision. The Council’s Capital Programme was based on consecutive five-year programmes, the first of which, unlike the subsequent five-year programme, could be profiled with a degree of accuracy.
- (g) **Paragraph 16 “Forecast Treasury Portfolio Position”:** The “Average In-House Cash” i.e., net position, referred to in the table in Paragraph 16 included earmarked reserves; capital & development contributions; general balances; internal borrowing; adjustments for working capital; and deferred income, from which the average in-house cash position could be calculated.
- (h) **Paragraphs 22 & 100: Geopolitical Risks and Carbon Commitment:** As a lender, the Council’s portfolio was primarily with other local authorities. In April of this year the Council would review its Environmental, Social and Governance (ESG) strategy in accordance with revised CIPFA Code of Practice. The ESG strategy would, in turn, be incorporated into the Treasury Management Strategy.
- (i) **Paragraph 29 Prudential Borrowing:** Prudential Borrowing was a term of art used to describe borrowing that “paid for itself”.
- (j) **Paragraph 33 *et seq.* OxLEP Ltd:** The Council borrowed money on behalf of the LEP from the Enterprise Zone Business Rate which was collected by South Oxfordshire District Council on behalf of the Enterprise Zone thereby limiting the risk to the Council.

The Chair proposed, and it was **agreed**, that a briefing for Members be provided with information about OxLEP Ltd and the Council's role as the accountable body for OxLEP Ltd.

ACTION: Director of Finance to include a briefing on OxLEP Ltd. in the Programme of Workshops, and to invite Nigel Tipple, Chief Executive, OxLEP Ltd. to the briefing.

- (k) **Paragraph 30 et seq. Internal Borrowing:** There were risks attached to internal borrowing as it entailed using short-term cash flow to fund longer term projects. Accordingly, internal borrowing was constantly monitored.
- (l) **Paragraphs 93 & 94 Investment Training:** Regarding whether it was appropriate to allow persons with one year's relevant professional experience to make investment decisions on behalf of the authority, it was noted that this was in accordance with the Markets in Financial Instruments Directive (2004/39/EC) (MiFID). Given the experience within the Council's Treasury Management team, officers were satisfied with the requirements of MiFID.
- (m) **Paragraph 100 Carbon Commitment:** Consideration also had to be given to investments that may have a negative impact on the Council's carbon commitment.
- (n) **Oxfordshire County Council as Lender:** It was within the Council's statutory powers to lend to other local authorities. Although the loans were unsecured, there was a tacit agreement with central government that, should a local authority default on loan repayments, there would be ways in which any outstanding monies could be recovered.
- (o) **Paragraph 104:** Before lending to another authority, the Council carried out due diligence to ensure that it was appropriate, within the context of the Council's policies and strategies, to lend money to that authority.

RESOLVED: To endorse the Treasury Management Strategy for 2022/23 as outlined in the report.

6/22 FINANCIAL MANAGEMENT CODE - SUMMARY COMPLIANCE ASSESSMENT

(Agenda No. 6)

The Committee considered a report of the Director of Finance recommending that the Committee endorse the Assessment of Compliance against the Financial Management Code for 2021/22.

The report was presented by Lorna Baxter, Director of Finance.

In the subsequent discussion, the following points were raised in relation to Annex 1 "Financial Management Code of Practice – Summary Compliance Assessment 2021/22"

- (a) **Reference: 1. CIPFA Financial Management Standards**

1A: There was no requirement to report to Cabinet and/or Council regarding Value for Money (VfM).

Services used benchmarking to inform opportunities to improve VfM and it was proposed that processes be put in place to improve the benchmarking system.

(b) Reference: 5. Stakeholder Engagement and Business Plans

5L: This was a new priority for the Council, and it was proposed that feedback from Engagement & Consultation would be used to inform the development of the Council's Strategic Plan.

(c) Each of the following references stated it was proposed further to develop the Business Management & Monitoring Report.

- **Ref. 2. Governance and Financial Management Style: Row E**
- **Ref. 3. Long to Medium-Term Financial Management: Row I**
- **Ref. 6. Monitoring Financial Performance: Row O**

The Director of Finance noted that the detail of how this was to be achieved was set out in the report and that Annex 1 extrapolated the key issues. It was proposed to improve the alignment of this information with budget information once the Strategic Plan had been agreed by Council.

(d) Reference: 6. Monitoring Financial Performance

6N: It was proposed that the Quarterly Capital Programme report, which was owned by Finance, and which focused on the money, should also include information on delivery of services and outcomes.

(e) Reference: 2. Governance and Financial Management Style

2D: The Director of Law & Governance stated that the updated Local Code of Governance had been finalised and would be submitted to the Committee.

RESOLVED: To endorse the Assessment of Compliance against the Financial Management Code for 2021/22.

7/22 INTERNAL AUDIT PLAN - PROGRESS REPORT

(Agenda No. 7)

The Committee considered a report by the Director of Finance updating the Committee on the Internal Audit Service, including resources, and completed and planned audits.

It was recommended that the Committee –

- (a) Note the progress with the 2021/22 Internal Audit Plan and the outcome of the completed audits; and
- (b) Note the Blue Badge Enforcement Strategy.

Sarah Cox, Chief Internal Auditor, presented the report.

In the subsequent discussion, the following points were raised.

- (a) Regarding Appendix 1, 2021/22 Internal Audit Plan – Progress Report: Environment & Place (Page 49), a new system to ensure the accuracy of payments had been implemented and it was for this reason that the Highways Contract Management Audit would start in Q4.
- (b) The Red Flag next to GDPR: Information Audit (Pages 57 & 58) reflected weaknesses in the Asset Register Information which had now been addressed with officers looking at ways in which this might be improved.
- (c) Keith Stenning, Community Operations, Oxfordshire County Council, provided information on the agency agreement between Oxfordshire County Council and West Oxfordshire District Council for the implementation, operation, and enforcement of the Blue Badge scheme.
- (d) PCI-DSS 2021/22 (Pages 61 – 63): The Chair proposed this was a topic that could be referred to the Audit Working Group (AWG).

Sarah Cox, Chief Internal Auditor, noted the complexities of PCI issues but stated that officers were satisfied that the Green and Amber RAG ratings were appropriate.

ACTION: Director of Finance to refer PCI-DSS 2021/22 to the AWG for review.

- (e) In response to questions about the misuse of Blue Badges on private land and the time spent on enforcement of the Blue Badge scheme compared with other local authorities, Mr Stenning noted that the Council had no enforcement powers on private land and enforcement in City Council car parks was determined by the arrangements between the County Council and the respective District Councils.

Regarding the time allocated to enforcement of the scheme, Tessa Clayton, Audit Manager, Oxfordshire County Council, stated that it varied considerably how much time individual local authorities spent on Blue Badge enforcement. Ms Clayton stated that officers were satisfied that the amount of time Oxfordshire County Council spent on enforcement was proportionate and would be reassessed, if necessary. She noted that time spent by Oxfordshire County Council on enforcement was about average when compared with other local authorities.

- (f) Environment & Place Capital Programme – Major Infrastructure (Page 51): Ms Baxter, Director of Finance, stated the 2021/22 internal audit had been deferred while a fundamental review took place and that this would be reviewed as part of the 2022/23 audit planning process.
- (g) Mr Stenning apprised the Members of the enforcement process in relation to blue badges and the Key Performance Indicators (KPIs) used to measure enforcement performance.

ACTION: Director of Finance to provide Members with copies of the Blue Badge scheme KPIs.

- (h) Officers reported on the misuse of Blue Badges either with or without the knowledge of the Blue Badge holder and the implications, thereof.
- (i) **Fleet Management (Compliance) 2021/22:** Ms Cox updated the Committee on the Fleet Management Review and the measures that were being put in place to address concerns that had been identified.

The Chair proposed it would be appropriate for an update report on Fleet Management Compliance to be sent to the Audit Working Group.

ACTION: Director of Finance to submit a report to the Audit Working Group (AWG) updating it on progress of the Fleet Management Review.

- (j) Revocation of Blue Badges: officers informed Members of the Committee about the policies and procedures for revoking Blue Badges.
- (k) **Blue Badges and ANPR¹ Enforcement:** Mr Stenning and Lucie Maycock, Customer & Culture, Oxfordshire County Council, advised Members that Blue Badges were not registered to specific vehicles, and the implications this had for enforcement and penalty notices in relation to the Blue Badge scheme.

RESOLVED: to –

- (a) Note the progress with the 2021/22 Internal Audit Plan and the outcome of the completed audits; and
- (b) Note the Blue Badge Enforcement Strategy.

8/22 PROVISION CYCLE IMPLEMENTATION UPDATE

(Agenda No. 8)

The Committee considered a report of the Director for Law & Governance updating the Committee on the progress of the Procurement Hub since the recent transformation activities.

It was recommended that the Committee –

- (a) Note the update and improvements made to the Procurement Hub in the last year since the restructure; and
- (b) Endorse and confirm completion of the Action Plan as detailed in Annex 1. Team

Anita Bradley, Director for Law & Governance, and Melissa Sage, Head of Procurement Contract Management, presented the report.

In the subsequent discussion, the following points were raised.

- (a) The Chair referred to the following matters –
 - That she would like to see a copy of the Procurement Handbook (“the Handbook”), referred to in Paragraphs 7 & 8 of the report;
 - That the Handbook be referred to the Audit Working Group to review the recommendations of PWC when asked to design the Handbook and what had been omitted from the present version of the Handbook;
 - Publication of the Government’s procurement proposals [in response to Brexit].

¹ Automatic Number Plate Recognition

Ms Sage stated that a government Green Paper² had been published last year on public procurement and that the consultation on the proposals set out in the Green Paper had now concluded, but that there would be no further developments before April 2023.

- (b) The Handbook was a live document that would evolve and be updated as necessary.
- (c) **Governance, Delegations & Decision-Making, Including Key Decisions (Governance Review):** involving sums of £1 million or more (Page 82) would be taken in consultation with Members.

Decisions regarding the delegation of authority to officers were included in the Constitutional Review which would be submitted to Council. The Chair asked that Members refer any comments they might have on this subject to the Constitutional Review Working Party.

- (d) Regarding challenges to the procurement process (Page 74, Paragraph 10), Ms Sage confirmed that, other than some letters of enquiry about processes and procedures, there had been no challenges.
- (e) **Annex 1 Management Action Plan (Page 83), Row 5 “Briefing of Portfolio Holders (interface with Members):** regarding the reference to “Portfolio Holder/Director briefing protocol to be agreed”, under the heading “Activity”, Ms Bradley stated that this was not a written protocol but rather a reflection of the provisions and expectations set out in the Council’s Constitution.
- (f) Ms Sage noted that the Procurement Handbook was an operational manual for Procurement officers and did not detail schemes of delegation which were set out elsewhere.
- (g) A report on the Social Value Policy (Paragraph 13) would be submitted to Cabinet in February and a report on the Council’s Procurement policy would be submitted to Council in the next few months. Accordingly, the Procurement Handbook and the Social Value Policy would be incorporated into that report.

Once a First Draft of the Procurement Policy report had been prepared, Members would be invited to comment on the draft report. Regarding the Social Value Policy, the relevant Portfolio Holder had been consulted on the content of this policy.

- (h) Regarding the use of the word “accountable” in relation to officers (Page 81), Ms Bradley stated that this referred to accountability of officers to Members, and to their Service Directorate, and not to a financial liability on the part of officers.

RESOLVED: to –

- (a) Note the update and improvements made to the Procurement Hub in the last year since the restructure; and
- (b) Endorse and confirm completion of the Action Plan as detailed in Annex 1.

² [Transforming Public Procurement](#)

The Committee considered a report by the Director of Law and Governance and Monitoring Officer updating the Committee on the Review of the Council's Constitution, and the work of the Constitution Review Working Group.

It was recommended that the Committee note the –

- (a) Progress made to date with the Constitution Review;
- (b) Concerns of the Constitution Review Working Group around delivery of a new Constitution by the end of March 2022; and
- (c) The proposal to extend the deadline [for delivery of a new Constitution] until 31 July 2022.

Anita Bradley, Director of Law and Governance, presented the report.

In the subsequent discussion, the following points were raised.

- (a) There were statutory provisions relating to local authority constitutions. However, it was proposed that the constitution should reflect the local authority and, therefore, officers were consulting with Members of the Constitution Review Working Group on the appropriate style and content for Oxfordshire County Council's Constitution. In so doing, Members were being shown several examples of local authority constitutions.
- (b) To resolve any anomalies and inconsistencies that might emerge because of the drafting process, Ms Bradley proposed that she be given delegated authority to resolve any anomalies and inconsistencies.

RESOLVED: To –

- (a) Approve the report's recommendations; and
- (b) The proposal that the Director of Law & Governance be granted the necessary delegated authority to reconcile any anomalies and contradictions that might arise because of redrafting the Council's constitution.

10/22 APPOINTMENT OF INDEPENDENT PERSONS

(Agenda No. 10)

The Committee considered a report by the Director of Law and Governance and Monitoring Officer recommending that the Committee approve the proposed approach for recruiting and appointing two Independent Co-opted Members to the Committee, as set out in the report.

Anita Bradley, Director of Law and Governance, presented the report, noting that the report referred to the Redmond Review published in 2020 on the arrangements in place to support the transparency and quality of Local Authority Financial reporting.

In the subsequent discussion, the following points were raised.

- (a) Local authorities who had not appointed Independent Members were now addressing this issue in response to the Redmond review and CIPFA guidelines.
- (b) Given the complexity of the recruitment exercise, it was proposed that the Council should advertise for the appointment of two Independent Members.
- (c) Officers were of the view that it was appropriate to appoint two Independent Members as to appoint more may result in a dilution of the duties and responsibilities of Committee Members.
- (d) Staggering appointments would afford the opportunity to retain the knowledge and experience of the current Independent Member, Dr Jones, should he wish to stand for reappointment, while providing continuity when appointments ended.
- (e) It would be advantageous to appoint an Independent Member who had no connections with the County Council or the District Councils.
- (f) It was recommended Best Practice that, to retain the independent perspective and willingness to challenge norms that an Independent Co-opted Member brought to their role, Independent Members should not be allowed to remain in post for so long that they lost their "independence".
- (g) It would make sense to retain the experience of the current Independent Member, while recruiting a new Independent Member for the reasons set out in the Best Practice guidelines.
- (h) In response to a proposal by the Chair, Ms Bradley confirmed that, as the Monitoring Officer, both she and Ms Baxter, as the Section 151 Officer, had no objection to any appointment as an Independent Member being for a period of four years to allow the Independent Member(s) sufficient time to develop knowledge and experience of the role such that they could make a meaningful contribution to the work of the Committee.
- (i) Once an initial recruitment exercise had been carried out, officers could report back to the Committee on the response to the recruitment exercise and on more detailed matters such as the recommended terms of any appointment.
- (j) It may be preferable to appoint any Independent Member(s) for a period of two years, subject to possible extension of the term of office, to determine if they were competent in their role as an Independent Member(s).
- (k) Subject to confirmation, it was understood that Dr Jones's term of office as the Committee's Co-opted Independent Member expired in May of this year.
- (l) It was for the Committee to determine the number of years of any appointment and whether it would wish to reappoint Dr Jones should Dr Jones wish to reapply.
- (m) It was confirmed that Dr Jones had been an Independent Co-opted Member of the Committee for over 15 years.
- (n) It was noted that Cherwell District Council was also appointing an Independent Co-opted Member and that, to optimise the independence of the Independent Co-opted Member, this should not be the same person for both authorities.

RESOLVED: to approve the proposed approach for recruiting and appointing two Independent Co-opted Members to the Committee.

11/22 AUDIT WORKING GROUP REPORT

(Agenda No. 11)

The Committee considered a report by the Director of Finance summarising the proceedings of the Audit Working Group (AWG) meeting on 15 December 2021. It was recommended that the Committee note the report. The report was presented by Dr Geoff Jones, Chair of the AWG.

In the ensuing discussion, it was noted that it had been proposed that the HF1 Didcot Infrastructure and A40 HIF2 Smart Corridor projects, which had been discussed at the last meeting of the AWG, be given further consideration by the AWG at a meeting to be convened before the end of January.

ACTION: The Chair, DLG & Finance Officers to canvass for a suitable date for a meeting of the AWG in January 2022.

RESOLVED: To note the report.

12/22 WORK PROGRAMME 2021/22

(Agenda No. 12)

The Committee considered the Audit & Governance Committee Work Programme 2021/2022. The programme was presented by Sara Cox, Chief Internal Auditor. It was noted that, attached to the report was a Draft Audit & Governance Committee 2022 Training & Briefing Programme.

Regarding the Training & Briefing Programme, which had been aligned with the Committee meeting dates, Ms Cox raised the issue of when Members might wish to undertake their self-assessment exercise in accordance with the CIPFA guidelines for Audit Committee Members. Once this was known, a suitable date would be added to the Audit & Governance Committee calendar.

It was noted that the Local Code of Corporate Governance report (see Item 6/22(e) above) would be submitted to the next meeting of the Committee on 16 March 2022.

NOTED

..... in the Chair

Date of signing

This page is intentionally left blank

AUDIT & GOVERNANCE COMMITTEE 16 MARCH 2022

ANNUAL REPORT OF AUDIT AND GOVERNANCE COMMITTEE

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. **The Audit & Governance Committee is RECOMMENDED to**

To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Audit & Governance Committee.

Executive Summary

2. In accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) Audit Committee Guidelines for Local Authorities 2018, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the committee has discharged its responsibilities.

Annual Report of Audit & Governance Committee

3. A draft report of the activities of the committee for the financial year 2021/22 has been prepared and is included within Appendix 1. It has previously been circulated for review and comment to Audit Working Group members. It is proposed that any suggested amendments/additional comments are discussed and agreed at the committee.
4. The final report will then be produced for the Chair of the committee, to schedule and present to Council.
5. Compliance with CIPFA's guidance for Local Authority Audit Committees 2018, demonstrates the committee's commitment to high standards and the production of the annual report demonstrates the role the committee exercises in being a key component of good governance for Oxfordshire County Council.

Financial Implications

6. There are no financial implications arising from this report.

Comments checked by: Lorna Baxter, Director of Finance,
lorna.baxter@oxfordshire.gov.uk

Legal Implications

7. There are no legal implications arising from this report.

Comments checked by:

Comments checked by: Sukdave S. Ghuman
Head of Legal Services & Deputy Monitoring Officer
sukdave.ghuman@oxfordshire.gov.uk

Staff Implications

8. There are no staffing implications arising from this report.

Equality & Inclusion Implications

9. There are no equality and inclusion implications arising from this report.

Sustainability Implications

10. There are no sustainability implications arising from this report.

Risk Management

11. There are no risk management implications arising from this report.

Lorna Baxter, Director of Finance

Annex: Draft Annual Report of the Audit and Governance Committee.
The draft report includes Appendix 1 – Audit & Governance Terms of Reference and Appendix 2 – Audit Working Group Terms of Reference.

Background papers: None.

Contact Officer: Sarah Cox, Chief Internal Auditor,
sarah.cox@oxfordshire.gov.uk

March 2022.

**Audit & Governance Committee
Annual Report**

**Report of the work of the Audit & Governance
Committee during 2021-22**

Contents

Section	Page
Chair's Introduction	3
Role of the Audit and Governance Committee	4
Key Activities	5

Appendix

1. Audit and Governance Committee Functions (extract from the Council's Constitution)
2. Audit Working Group Terms of Reference

Chair's Introduction

Having been appointed the Chair of the Audit and Governance Committee in May 2021, I am very pleased to present this annual report which sets out the role of the Audit & Governance Committee and summarises the work we have undertaken both as a Committee, and through the support of the Audit Working Group during the financial year 2021/22.

The Committee operates in accordance with the good practice guidance produced by the Chartered Institute of Public Finance Accountancy (CIPFA) in 2018. The Committee is operating effectively in accordance with the standards, providing an independent and high-level resource which supports good governance and strong public financial management.

The Committee continues to be well supported by Officers, providing a high standard of reports and presentations. I would like to thank the Internal Audit, External Audit, Law and Governance and Finance teams for their input.

I should like to take this opportunity to give my personal thanks to all the officers, Dr Geoff Jones, Chair of the Audit Working Group, the Deputy Chair Councillor Brad Baines and all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year.

COUNCILLOR ROZ SMITH

Chair, Audit & Governance Committee

Role of the Audit & Governance Committee

The Audit and Governance Committee operates in accordance with the 'Audit Committees, Practical Guidance for Local Authorities' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2018. The Guidance defines the purpose of an Audit Committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high -level resource to support good governance and strong public financial management.
2. The purpose of and Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The key functions of the Audit and Governance Committee are defined within the Council's Constitution; the relevant extract is attached as Appendix 1 to this report. In discharging these functions, the Committee is supported by the Audit Working Group, their terms of reference are attached as Appendix 2 to this report.

How the Committee has discharged its responsibilities during 2021/22

Key A&G Committee Activities	June 21	July 21	Sept 21	Nov 21	Jan 22	March 22
Financial Reporting						
Review of statement of accounts – narrative statement 2020-21	•					
2020-21 Annual Statement of Accounts - updates		•	•	•	•	•
Review of Treasury Management Outturn 2020-21	•					
Treasury Management 2021-22 mid-term review				•		
Treasury Management Annual Investment Strategy 2022-23					•	
Treasury Management industry update briefing from Link					•	
Financial Management Code Compliance Assessment 2021-22					•	
Internal Audit						
Annual Report of the Chief Internal Auditor 2020-21	•					
Internal Audit Strategy and Plan 2021-22	•					
Reports from Audit Working Group	•	•	•	•	•	•
Review of Internal Audit Reports and monitor of in-year progress	•		•		•	
Review of Internal Audit Charter and Quality Assurance Programme		•				
External Audit						
External audit progress updates and technical updates	•		•	•		•
External Auditor appointments				•		
Update re: Audit Results Report 2020-21						•
Pension Fund Audit Results Report 2020-21				•		
Governance & Risk Management						
Approval of Annual Governance Statement (AGS) for 2020-21	•					
Review of AGS action plan				•		•
Oxfordshire Fire & Rescue Statement of Assurance				•		
Local code of Corporate Governance						•
Provision Cycle					•	

Key A&G Committee Activities	June 21	July 21	Sept 21	Nov 21	Jan 22	March 22
Surveillance Commissioner's Inspection and Regulation of Investigatory Powers Act			•			
Local Government Ombudsman annual report			•			
Monitoring Officer annual report			•			
Annual Report of A&G committee						•
Scale of election fees and expenditure						•
Whistleblowing Policy				•		
Appointment of Independent Persons					•	
Constitution Review			•	•	•	•
Counter-Fraud						
Approval of Counter-Fraud Strategy and plan for 2021-22		•				
Anti-fraud and corruption strategy		•				
Counter-Fraud Plan update				•		•
Update on CF investigation						•

The Committee is supported by the Audit Working Group (AWG):

Key AWG activities	April 21	June 21	Sept 21	Oct 21	Dec 21	Jan 21
Internal Audit & Counter-Fraud						
Internal Audit and Counter-Fraud update, including review of Internal Audit Reports and monitoring of progress with implementation of agreed management actions	•		•		•	
Review of Audit of Adults Direct Payments and implementation of management actions		•				
Review of Audit of Childrens Placements and implementation of management actions			•			
Governance & Risk Management						
Review of corporate risk management arrangements, including Leadership Team Risk Register		•		•		
Review of directorate risk management arrangements		•				

Key AWG activities	April 21	June 21	Sept 21	Oct 21	Dec 21	Jan 21
including risk register – Customers, OD and Resources						
Risk Management Reporting arrangements to A&G/AWG			•			
Oxfordshire Fire & Rescue Statement of Assurance				•		
Whistleblowing policy				•		
Review of risk management processes in relation to HIF (Housing Infrastructure Fund) programmes.					•	•

2021/22 Key Achievements:

- The Committee and AWG have continued to review, and monitor material weaknesses identified from the internal audit reports with Senior Managers attending to provide assurance on how the issues were being addressed. This has supported the implementation of the actions plans to deliver the required improvements in key areas for the Council.
- A continued focus for the AWG has been monitoring the improvement actions agreed following the audit of Adults Direct Payments 2020/21, which was graded Red, due to the significant weaknesses identified. The committee / AWG are now pleased to note the significant progress that has now been made to effectively address the weakness identified and implement the agreed improvement actions.
- The Committee is pleased to particularly note through review during the year of the Internal Audit reports and monitoring by the Committee & AWG of the agreed management actions that significant weaknesses in the system of internal control are being prioritised and addressed.
- The Committee has provided effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes has contributed to good performance in this area.
- The Committee and AWG continue to consider key topics / areas of risk, seeking assurance from lead officers in the relevant areas that robust processes are in place. Areas considered during 2021/22 have included the Implementation of the Provision Cycle and also the Risk management processes for the Housing Infrastructure Fund programme.

Our work in 2021/22

The key activities of both the Committee and AWG are captured in the tables above. In summary:

Financial Reporting

The Committee is responsible for the review and approval of the annual statement of accounts on behalf of the Council. In line with many councils the external audit of 2020/21 accounts has not yet been completed. The Committee has received regular updates on progress from the external auditors and officers.

The Committee receives reports from the Treasury Management Team three times a year, exercising its stewardship role. The Committee reviewed the Treasury Management Outturn Report 2020/21, the Treasury Management Mid-term Performance Report 2021/22 and the Treasury Management Strategy Statement and Annual Investment Strategy 2022/23. The committee members attended an industry update briefing from Link, the Council's advisors, to help inform the review of the 2022/23 Treasury Management Strategy.

Internal Audit

The Committee approved the Internal Audit Strategy for 2021/22, including the annual audit plan.

The Committee receives regular progress reports from the Chief Internal Auditor, including summaries of the outcomes from Internal Audit work. Through the Audit Working Group, the Committee monitors the progress with the implementation of management actions arising from audit reports.

In response to Internal Audit reports the Committee/Audit Working Group, has looked in detail at the following areas: Adults Direct Payments (overall conclusion graded red) and Childrens Placements (overall conclusion graded amber).

The review of the effectiveness of the system of Internal Audit, commissioned by the Committee was reported and considered in March 2019. Overall, the results are very favourable and demonstrated a strong level of satisfaction about the nature and effectiveness of the service. There were no issues as regards the integrity, or capability, of any of the officers of Internal Audit; the comments continue to reflect that the service is well-regarded. The next review will be scheduled for 2022.

The Committee has continued to monitor the resourcing of Internal Audit. The Committee recognise the challenges in recruitment in this area and continue to be updated regarding the recruitment and retention strategies being adopted, which includes the introduction of an Audit Apprentice post within the team.

The completion of the Internal Audit Plan and the annual statement of the Chief Internal Auditor is produced for the Committee at the end of the financial year. Based on the evidence of the reports presented to the Audit Working Group and the

Committee, the team continues to provide an effective challenge and therefore assurance on the key risk activities.

The Committee also met with the Chief Internal Auditor in a private session during September 2021 and are satisfied Internal Audit are free to carry out their duties without restrictions.

The Committee approve the Internal Audit Charter on an annual basis, this was approved at the July 2021 meeting.

External Audit

The Council's external auditors, Ernst and Young, attended all the committee meetings during 2021/22, providing regular updates on their work plan and any matters arising.

The Committee met with the external auditors in a private session in September 2021. The Committee is satisfied that they are free to carry out their duties without restrictions. We are also assured that if identified they would bring any material issues to the attention of the Committee.

Governance & Risk Management

The Committee approved the Annual Governance Statement (AGS) for 2020/21. This included improvement actions for 2021/22, within the following areas; Provision Cycle and Review of post covid governance arrangements.

The Committee and AWG receives and considers updates from officers on key topics/areas of risk such as the Provision Cycle, seeking assurance that robust risk management, governance and internal control processes are in place.

The Committee, through the Audit Working Group, has continued to receive risk management updates, which included detailed review of the Leadership risk register. The Audit Working Group is satisfied from their review that the process for reporting, escalating, and managing Leadership level risks is being maintained and acknowledge the ongoing work to improve and properly embed risk management as a routine part of OCC's everyday work.

The Committee and Audit Working Group also considered the annual report of the Monitoring Officer; the annual report of the Local Government Ombudsman; the use of the Regulation of Investigatory Powers Act 2000 (RIPA); review of scale of election fees; and the Fire and Rescue Service Annual Statement of Assurance. There were no material issues or concerns arising.

The Committee approved the scope for a review of the Constitution and agreed to the appointment of an informal cross-party Working Group and its terms of reference. The purpose of the Working Group is to make recommendations to this Committee on potential changes to the Constitution. The Committee receive regular updates on progress made with the review.

Counter-Fraud

The Audit & Governance Committee receive annually the Counter Fraud Strategy and work plan. The Committee are regularly updated on progress on delivery of the work plan for counter fraud.

The Committee and Audit Working Group receive regular updates from the Chief Internal Auditor on any reported matters of suspected fraud, including investigations. Outcomes of investigations are reported to and monitored by the Audit & Governance Committee. The Committee plays a key role in monitoring the effectiveness of the Council's counter fraud arrangements.

The Committee received a report on Whistleblowing from the Monitoring Officer, that highlighted there have been very few cases.

The Committee were updated at the March meeting regarding the outcome of a fraud investigation that had recently been concluded, including actions taken to address the issues identified and control improvements now implemented.

Appendix 1

Audit & Governance Committee Terms of Reference

Statement of purpose

1. The Audit & Governance Committee is a key component of Oxfordshire County Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of the risk management framework, the internal control environment, the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

Generally

2. To draw to the attention of the appropriate scrutiny committee, or Cabinet or any other committee, as appropriate any issues which in the Committees view would benefit from a scrutiny review or Cabinet's or a committee's further investigation.

Governance, risk and control

3. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
4. To review the AGS (Annual Governance Statement) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
5. To ensure compliance with relevant legislation, guidance, standards, codes and best practice, whether external or internal;
6. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
7. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
8. To monitor the effective development and operation of risk management in the council.
9. To monitor progress in addressing risk-related issues reported to the committee.
10. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
11. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
12. To monitor the counter-fraud strategy, actions and resources.
13. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal audit

14. To approve the internal audit charter.
15. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
16. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
17. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
18. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
19. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
20. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP (Quality Assurance Improvement Programme)
 - reports on instances where the internal audit function does not conform to the PSIAS, (Public Sector Internal Audit Standards) considering whether the non-conformance is significant enough that it must be included in the AGS.
21. To consider the head of internal audit's annual report:
 - The statement of the level of conformance with the PSIAS – this will indicate the reliability of the conclusions of internal audit.
 - The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
22. To consider summaries of specific internal audit reports as requested.
23. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
24. To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
25. To consider a report on the effectiveness of internal audit to support the AGS.
26. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

27. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.
28. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
29. To consider specific reports as agreed with the external auditor.
30. To comment on the scope and depth of external audit work and to ensure it gives value for money.
31. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

32. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
33. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

34. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
35. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
36. To publish an annual report on the work of the committee.

Treasury Management

37. To be responsible for ensuring effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes.

Ethical Governance

38. To promote high standards of conduct by councillors and co-opted members.
39. To grant dispensations to councillors and co-opted members from the requirements relating to interests set out in the code of conduct for members
40. To receive a report from member-officer standards panels appointed to investigate allegations of misconduct under the members' code of conduct.
41. To advise the Council as to the adoption or revision of the members' code of conduct.

Elections

42. To appoint the County Returning Officer for the purposes of county council elections
43. To carry out other relevant electoral functions under Section D of Schedule 1 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, including the annual setting of the scale of fees for County Council elections.

Appeals & Tribunals Sub – Committee

44. The Committee will appoint an Appeals & Tribunals Sub-Committee which will have the following responsibilities and membership:

Responsibilities:

- (i) The determination of appeals against decisions made by or on behalf of the authority as specified in Paragraph 2 of Schedule 2 to the Functions Regulations.
- (ii) To hear and determine appeals in cases where the relevant procedure rules require this function to be performed by a formally constituted committee or sub-committee.
- (iii) To hear and determine appeals in other cases under the relevant procedure rules.

Membership:

The Appeals & Tribunal Sub-Committee will meet as needed and its membership will be:

- (i) A member of the Audit & Governance Committee (or substitute)
- (ii) Two other members of the Council (one being a Cabinet member in the case of Fire Discipline issues)

November 2019.

Appendix 2 - this will be reviewed and updated at March committee – then we will insert up-to-date version in this annex.

AUDIT WORKING GROUP TERMS OF REFERENCE

Membership

The Audit Working Group shall consist of:-

The independent member of the Audit and Governance Committee who will chair the Group, together with four members of the Audit and Governance Committee, one of whom shall be the Chairman of the Committee. There will also be up to four named members of the Audit and Governance Committee who will deputise as required. Where the Chairman of the Audit and Governance Committee cannot attend the Audit Working Group, the Deputy Chair of the Audit and Governance Committee will be the named deputy.

The Director of Finance and/or Assistant Director of Finance Officer, Director of Law and Governance (& Monitoring Officer), and the Chief Internal Auditor, or their representatives shall attend the Group meetings.

Members of the Group and their deputies should have suitable background and knowledge to be able to address satisfactorily the complex issues under consideration and should receive adequate training in the principles of audit, risk and control.

All members of the Audit and Governance Committee can attend Audit Working Group Meetings as observers.

Role

The Audit Working Group shall:

act as an informal working group of the Audit and Governance Committee in relation to audit, risk and control to enable the Committee to fulfil its responsibilities effectively in accordance with its terms of reference;

routinely undertake a programme of work as defined by the Audit and Governance Committee;

consider issues arising in detail as requested by the Audit and Governance Committee;

receive private briefings on any matters of concern;

at least annually hold a private session with the External Auditors not attended by any officers, and a further private session on Internal Audit matters with the Chief Internal Auditor only.

Reporting

The Director of Finance will report to the Audit and Governance Committee on matters identified by the Group following consultation with the Chairman and members of the Group.

Meeting

The Group shall meet regularly in cycle with the Audit and Governance Committee. The Group may invite any officer or member of the Council to attend its meetings to discuss a particular issue and may invite any representative of an external body or organisation as appropriate.

Confidentiality

The Group will meet in private to allow full and frank consideration of audit, risk and control issues.

All matters discussed and papers submitted for the meetings including minutes of the previous meeting must be treated as confidential. Papers will be circulated in advance to all members of the Audit and Governance Committee for information whether attending the Group or not.

Where any other member wishes to inspect any document considered by the Group and believes that s/he has a "need to know" as a County Councillor, the procedure in the Council's Constitution relating to Members Rights and Responsibilities (Part 9.3) shall apply.

UpdatedMarch 2020

Review Date.....April 2021

Officer Responsible:
Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk

AUDIT & GOVERNANCE COMMITTEE 16 MARCH 2022

Government's Measures to Improve Local Audit Delays

Report by Director of Finance

RECOMMENDATION

1. **The Audit and Governance Committee is RECOMMENDED to**

Note the key measures outlined in Section 3.

Executive Summary

2. The Government is continuing to prioritise measures to improve timeliness and support capacity as part of the response to the [Redmond Review](#) on Local Authority financial reporting and external audit.
3. In January 2021, Catherine Frances the Director General Local Government at the Department for Levelling Up, Housing and Communities (DLUHC) wrote to Directors of Finance setting out a package of measures to help get the timeliness of local audit back on track.
4. Key measures that the Department have committed to are:
 - (a) Providing councils with additional funding over the next Spending Review period to support the cost of strengthening financial reporting and increased audit requirements
 - (b) Strengthening training and qualification options for local auditors and audit committee members
 - (c) Reviewing whether certain accounting and audit requirements could be reduced on a temporary basis
 - (d) Extending 2021/22 audit deadline to 30 November 2022, and then 30 September until 2027/28.

Introduction

5. Local government audit plays a vital role in providing local authorities with accurate and reliable financial information to plan and manage effectively. The Government is committed to the principles of a locally led audit regime that has been in operation since 2014.
6. Challenges remain on the timeliness of local audits. Since the audit deadline has been brought forward there has been a decline in the number of opinions issued on time. Most recently only 9% of 2020/21 audits were completed by the extended deadline of 30 September 2021. The sections below give an overview

of key issues and commitments to help the timely completion of future audit work.

Measures relating to audit firms and timely completion of audit work

7. When audit firms have been engaged by the Government, they have provided feedback that their capacity to complete work is limited by a lack of qualified, experienced auditors.
8. The Chartered Institute of Public Finance and Accountancy (CIPFA) is progressing development of a new local audit training Diploma in local government financial reporting and management aimed at senior auditors and other levels of auditor. It will be designed to meet the technical training needs of experienced Registered Individuals.

Measures relating to local bodies and quality of accounts preparation

9. DLUHC to provide funding of £45 million over the course of the next Spending Review period to support local authorities with the costs of strengthening their financial reporting, new burdens related to appointment of independent members and other Redmond Review recommendations and an increase in audit requirements. The amount of grant to individual bodies has not yet been announced.
10. CIPFA to publish strengthened guidance on audit committees by April 2022. This guidance will emphasise the role that audit committees should have in ensuring accounts are prepared to a high standard.
11. DLUHC to provide, via the Local Government Association, sector grants for several targeted training events for audit committee chairs.

Proposed measures relating to accounting and audit requirements

12. CIPFA/LASSAC¹ is undertaking a project to improve the presentation of local authority accounts to inform the development of the 2022/23 Accounting Code and to comply with International Financial Reporting Standards (IFRS). HM Treasury is to undertake a review of financial reporting valuations for non-investment properties to inform development of the 2022/23 Accounting Code.
13. CIPFA/LASSAC has been asked to consider time-limited changes to the Accounting Code for 2021/22. Details of these were issued in February 2022 and consultation closed on 3 March 2022. The proposed changes are summarised below, and will be considered individually:
 - (a) Pausing professional valuations of Property, Plant & Equipment (PPE). Within this option there are two parts. The first would pause valuations at

¹ Chartered Institute of Public Finance and Accountancy / Local Authority (Scotland) Accounts Advisory Committee

31 March 2021. The second would be to pause valuations and apply an indexation factor to get valuations for 2021/22.

- (b) Deferring the implementation of International Financial Reporting Standard 16 on accounting for leases which comes into effect for 2022/23 reporting periods.

- 14. Whilst the options to alleviate pressures is welcomed, the timing of the proposed consultation means that the changes would have benefit to the preparation of the accounts for 2021/22. Therefore, the council has continued with work on valuations of PPE for 2021/22 and will continue planned analysis of leases in advance of IFRS16 implementation.

Longer term measure to help stabilise the market and address long-term supply issues

- 15. Public Sector Audit Appointments (PSAA) is to progress their proposed procurement strategy for the next round of local audit contracts from 2023/24. Objectives of this strategy include contributing to efforts of audited bodies and auditors to improve the timeliness of audit opinion delivery at the required level of quality.
- 16. DLUHC have recognised that ongoing changes in the local audit system is unhelpful to audit firms who are looking to plan for the next five-year appointing period. Subject to consultation, legislation will be introduced to extend the deadline for publishing audited local authority accounts. For 2021/22 the deadline will be 30 November 2022. For the following six years it will revert to 30 September.
- 17. It is hoped that measures put in place ahead of the next procurement will help to ensure all parties can play a part in getting audit timeliness back on track. As part of the wider system leadership reforms, to be consulted on in the new year, DLUHC want to establish a shadow form from Spring 2022 which it hopes will address audit capacity issues. The new system leader and 1 or 2 of the successful firms will then develop an industry led workforce strategy that will look at the future of local auditors and their training and qualifications.

Financial Implications

- 18. The outcome of the next audit procurement is not yet known but it could increase the cost of the external audit fee. The distribution of the additional £45 million over the Spending Review period from 2022/23 to 2024/25 is still to be announced.

Comments checked by:

Lorna Baxter, Director of Finance, lorna.baxter@oxfordshire.gov.uk

Legal Implications

19. There are no legal implications arising directly from the measures set out. However, the Council will need to ensure that arrangements are put in place to comply with any amendments to the Local Audit and Accountability Act 2014, Accounts and Audit Regulations 2015 and statutory guidance, including the Code of Practice on Local Authority Accounting in England and Wales.

Comments checked by:

Sukdave Ghuman, Head of Legal, sukdave.ghuman@oxfordshire.gov.uk

Lorna Baxter
Director of Finance

Annex: Nil

Background papers: Nil

Contact Officer: Richard Quayle, Chief Accountant

March 2022

Divisions Affected – All

AUDIT & GOVERNANCE COMMITTEE 16 March 2022

Scale of Election Expenses 2022/2023

**Report by Corporate Director Commercial Development,
Assets and Investment**

RECOMMENDATION

1. **The Audit and Governance Committee is RECOMMENDED to note the Scale of Election Expenses for the financial year 2022/23 for any poll associated with the County Council during the year (Annex 1).**

Executive Summary

2. The County Returning Officer, Anita Bradley, is responsible for the conduct of the County Council elections and by-elections. The expenditure properly incurred by the Returning Officer is paid by the Council and, as such, a scale of expenses is set as a guide to such expenditure. The scale of expenses set out in the Annex would be applicable to any by-elections held within the 2022/23 financial year.
3. In accordance with the Council's practice, a review has been undertaken in consultation with the County, City and District Council election specialists in Oxfordshire who assist the Returning Officer in running the County Council's elections and by-elections. The Districts will use this scale when acting on behalf of the Returning Officer and are generally mindful of the County Council's scale of expenses when setting their own scales of expenses.
4. The scale is brought to the Committee in the interests of transparency for this area of election governance.

Purpose of the Scale of Expenses

5. The purpose of the scale of expenses is to set out the amounts that can be charged for organising and running county council elections and by-elections. In practice, this means that these are the amounts that the City and District Councils will claim back from the County Council for running elections on its behalf.

Levels for 2022/23

6. The proposed figures for 2022/23 are shown in bold alongside the amount agreed for 2021/22.

Proposed Changes for 2022/23

7. All fees have been reviewed to ensure the hourly rates reflects the Oxford Living Wage, which has been set at £10.50 per hour from April 2022.
8. As in the last financial year a cost of living award has been applied to the majority of fees. For 2022/23 this is approximately 2.5% lift in the majority of fees. This figure is taken from the County Council's budget papers as the assumes cost of living increase for 2022/23 in the Medium Term Financial Strategy.
9. The Poll Clerk fee (paragraph 11) is the only fee to have been increased without reference to the 2.5% up-lift. Working on the basis of polling station staff working 16 hours (6.15am – 10.15pm), to ensure that the fee reflects the Oxford Living Wage, the Poll Clerk fee has been raised to £168.00, and would increase to £178.00 for a combined poll.
10. The provision for an additional fee in the event of three or more polls being held at the same time was introduced in 2021/22 due to the unusually high combination of polls. Although it is anticipated that this will ordinarily be needed, it is considered sensible to retain this additional fee.
11. At the suggestion of the Districts and the City Council, clarification has been given as to what constitutes "overnight working". This is defined as being between the hours of 9.00pm and 8.00am scale of expenses.
12. At the suggestion of the Districts and the City Council, the addition of a overnight working fee for the Supervisor for the issue and receipt of postal ballot papers (paragraph 22). This reflects the requirement for this role to work overnight on polling day to process the postal votes received prior to the close of poll at 10pm.
13. The City and District Councils have confirmed that the proposed scale of fees is pragmatic for the running of elections on the County Council's behalf and is consistent with their recent experience. As such, the scale of expenses will be effective in supporting the Returning Officer to achieve a robust, resourced and cost-effective by-election, should it be necessary to .

Financial Implications

14. A separate budget is maintained for electoral expenditure, which is built up over time towards the County Council elections in an election reserve. Ordinarily in the year County Council elections are scheduled, they are a standalone election which means the County Council must meet the cost in full. Due to the postponement of elections in 2020 due to the COVID pandemic, the County Council elections in 2021 were combined with the Police and Crime Commissioner elections and (in Cherwell, Oxford and West Oxfordshire) with district council elections which resulted in some costs (e.g. polling stations, county/district devolved counts) being shared.

Legal Implications

15. Under the Representation of the People Act 1983 Section 36(4) the Council may set a scale of election expenses, and the scheme at the Annex accords with this. This responsibility lies with the Returning Officer and this report is brought to the Committee for the purposes of Transparency.

Equality and Inclusion Implications

16. The setting of a scale of expenses does not in itself involve equality and inclusion implications. However, the levels of expenses included in the scheme have been formulated to ensure that robust arrangements are in place to secure participation by candidates, staff and the public.

Sustainability Implications

17. There are no sustainability implications arising directly from this report.

STEVE JORDEN

Corporate Director Commercial Development, Assets and Investment

Annex: Scale of Elections Fees 2022/23

Background papers: Nil

Contact Officers: Natasha Clark, Governance & Elections Manager
Andrea Newman, Senior Democracy Officer
1865 810283, democracy@oxfordshire.gov.uk

March 2022

This page is intentionally left blank

OXFORDSHIRE COUNTY COUNCIL

REPRESENTATION OF THE PEOPLE ACT 1983 (SECTION 36(4))

SCALE OF EXPENDITURE FOR ELECTIONS OF COUNTY COUNCILLORS

(Applicable to elections held during period 1 April 2022 to 31 March 2023)

Only the fees and disbursements specified below shall be chargeable. The fees payable to the Returning Officer or their duly appointed Deputy Returning Officer shall include all payments which they make from their fees to other persons by way of remuneration of services undertaken on their behalf.

In no case shall a charge exceed the sum actually and necessarily paid or payable by the Returning Officer. Subject to this the maximum charges are set out in the scale. These fees will apply to County Council elections.

PART I - UNCONTESTED ELECTION

A – FEES	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
1. To the Returning Officer, for conducting the election and generally performing the duties required by any enactments relating to the election, other than any duties for which separate fees are provided. For each Electoral Division, a fee of	1-member £47.00 2-member £94.00	£48.00 £96.00
2. To a Deputy Returning Officer appointed for the purposes of conducting and generally performing the duties assigned by the Returning Officer, other than duties for which separate fees are provided. For each Electoral Division, a fee of	1-member £32.00 2-member £63.00	£33.00 £65.00
B – DISBURSEMENTS	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
3. Preparation of poll cards and postal vote cards for supervising the preparation and issue of official poll and postal vote cards. For each Electoral Division, a fee of.....	1-member £19.00 2-member £38.00	£19.00 £39.00
4. For the employment of persons for clerical and other assistance. For each Electoral Division	1-member £22.00 2-member £44.00	£22.00 £45.00
5. Travelling expenses of the Returning Officer, Deputy Returning Officer and Assistants. Per mile.....	£0.45	£0.45

	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
6. For printing and providing forms, notices and other documents required for the election, including the printing costs, computer charges and all associated costs of producing official poll and postal vote cards, together with advertising expenses, postage, telephone calls and miscellaneous expenses	Actual and necessary cost	Actual and necessary cost

PART II - CONTESTED ELECTION

A – FEES	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
7. To the Returning Officer, for conducting the election and generally performing the duties required by any enactments relating to the election, other than any duties for which separate fees are provided. For each Electoral Division, a fee of.....	1-member £98.00 2-member £194.00	£100.00 £198.00
8. To a Deputy Returning Officer appointed for the purposes of conducting and generally performing the duties assigned by the Returning Officer, other than duties for which separate fees are provided. For each Electoral Division, a fee of	1-member £92.00 2-member £185.00	£94.00 £190.00

(If a duly appointed Deputy Returning Officer also carries out the functions specified under item 9 of this scale, s/he will be entitled to claim the fees payable under both item 8 and item 9 of the scale)

9. To a Deputy Returning Officer appointed solely for the purposes of rules 44 to 52 of the Local Elections (Principal Areas) (England and Wales) Rules 2006 (or such legislation as may subsequently be enacted), for making arrangements for counting the votes and declaring the result of the poll. For each Electoral Division, a fee of.....	1-member £62.00 2-member £124.00	£63.00 £127.00
--	-------------------------------------	---------------------------

(A Deputy Returning Officer appointed under this item cannot claim the fee payable under item 14 of this scale)

9A. For each Recount.....	£16.00	£16.00
---------------------------	--------	---------------

B – DISBURSEMENTS	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
10. Presiding Officer, a fee of..... or where a poll is combined with a district council OR parish council poll, a fee of..... or in the event of three or more polls being held at the same time, an additional fee of.....	£214.00 £241.00 £30.00	£219.00 £247.00 £30.00
11. Poll Clerk, a fee of..... or where a poll is combined with a district council OR parish council poll, a fee of..... or in the event of three or more polls being held at the same time, an additional fee of.....	£155.00 £165.00 £10.00	£168.00 £178.00 £10.00

(Presiding officers and poll clerks may not include any additional expenses i.e. electricity charges, other than travelling expenses specified in item 23 of this scale, without the prior written express agreement of the (Deputy) Returning Officer.)

12. An additional poll clerk may be employed full-time or part-time at a polling station at the discretion of the Returning Officer or his duly appointed Deputy Returning Officer, and will be paid the fee payable under Item 11 of this scale, or an appropriate proportionate amount as applicable.		
13. For the provision of training for polling station staff, including a payment for staff undertaking the training. This may be used in respect of any payment made for the collection of the ballot box ahead of an election by staff. To be distributed by the Deputy Returning Officer at their discretion. A fee of:.....	£50.00 per presiding officer and poll clerk	£50.00 per presiding officer and poll clerk
14. Counting Management Team: A fee of (a) for the first hour..... (b) for each half hour thereafter or part thereof..... In respect of overnight working (between the hours of 9.00pm-8.00am) (c) for the first hour..... (d) for each half hour thereafter or part thereof..... <u>Weekend working:</u> will be paid at time and a half the above rates.	£22.00 £11.00 £24.00 £12.00	£23.00 £11.50 £25.00 £12.50

	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
<p>15. Counting/Verification Supervisor: A fee of (e) for the first hour..... (f) for each half hour thereafter or part thereof.....</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) (g) for the first hour..... (h) for each half hour thereafter or part thereof.....</p> <p><u>Weekend working:</u> will be paid at time and a half the above rates.</p>	<p>£18.00</p> <p>£9.00</p> <p>£20.00</p> <p>£10.00</p>	<p>£18.00</p> <p>£9.00</p> <p>£21.00</p> <p>£10.50</p>
<p>16. Counting/Verification Assistant Supervisor: A fee of (i) for the first hour..... (j) for each half hour thereafter or part thereof.....</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) (k) for the first hour..... (l) for each half hour thereafter or part thereof.....</p> <p><u>Weekend working:</u> will be paid at time and a half the above rates.</p>	<p>£16.00</p> <p>£8.00</p> <p>£18.00</p> <p>£9.00</p>	<p>£16.00</p> <p>£8.00</p> <p>£18.00</p> <p>£9.00</p>
<p>17. Counting/Verification Assistant: A fee of (a) for the first hour..... (b) for each half hour thereafter or part thereof.....</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) (c) for the first hour..... (d) for each half hour thereafter or part thereof.....</p> <p><u>Weekend working:</u> will be paid at time and a half the above rates.</p>	<p>£14.00</p> <p>£7.00</p> <p>£16.00</p> <p>£8.00</p>	<p>£14.00</p> <p>£7.00</p> <p>£16.00</p> <p>£8.00</p>
<p>18. For the employment of persons for clerical and all other assistance other than where separate fees are provided. For each Electoral Division.....</p>	<p>1-membr £125.00 2-member £240.00</p>	<p>£128.00 £246.00</p>

	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
19. Preparation and issue of poll cards and postal vote cards, for supervising the preparation and issue of official poll and postal vote cards. For each Electoral Division, a fee of.....	1-member £18.95 2-member £37.60	£19.00 £38.50
20. To an officer designated by the Returning Officer or his duly appointed Deputy, for inspection and supervision of polling stations, a fee of..... or in the event of three or more polls being held at the same time, <u>an additional</u> fee of.....	£250.00 £30.00	£256.00 £30.00
21. For preparation of ballot boxes. For each polling station, a fee of.....	£10.00	£10.00
22. Supervisor for the issue and receipt of postal ballot papers. A fee of: (a) for the first hour..... (b) for each half hour thereafter or part thereof..... In respect of overnight working (between the hours of 9.00pm-8.00am) (c) for the first hour..... (d) for each half hour thereafter or part thereof.....	£18.00 £9.00	£18.00 £9.00 £21.00 £10.50
23. For the employment of persons in connection with the issue and receipt of postal ballot papers, the total sum of which to be distributed by the Deputy Returning Officer at their discretion. A fee of.....	£0.80	£0.80
24. Hire of rooms in connection with the issue and receipt of postal ballot papers	Actual and necessary costs	Actual and necessary costs
25. For travelling expenses of the Returning Officer, Deputy Returning Officer, Assistants, Presiding Officers, Poll Clerks and Counting Assistants, and for posting Notices of Election and Notices of Poll. Per mile.....	£0.45	£0.45
26. Hire of rooms for the preparation of ballot boxes	Actual and necessary costs	Actual and necessary costs

	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
27. For preparing a room for the purpose of a poll, and of a count, and cleaning and reinstating the room (per station)		
(a) in the case of a school maintained by a local authority, which may be used free of hire charge, the caretaker's fee is to be paid in accordance with the allowances in force in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service; or any local agreement;	Actual and necessary cost	Actual and necessary cost
and (b) in any other building.....	Actual and necessary cost	Actual and necessary cost
26. Heating and lighting (per polling station) ...	Actual and necessary cost	Actual and necessary cost
27. Conveyance of ballot boxes and voting screens.....	Actual and necessary cost	Actual and necessary cost
28. Compensation payable in consequence of the cancellation of functions in order to make suitable premises available for use as polling stations or places of count.....	Actual and necessary cost	Actual and necessary cost
29. For provision of ballot boxes and voting screens, for printing notices, ballot papers and other forms and documents required, including the printing costs, computer charges and all associated costs of producing the official poll and postal vote cards, and for stationery, advertising, postage, telephone calls, bank charges and miscellaneous expenses.....	Actual and necessary cost	Actual and necessary cost

NOTE: Where there is any combination of poll with District or Parish Councillors, wherever appropriate and as far as practicable, the costs are to be shared on an equal basis between the relevant Authorities, unless a particular expense can be allocated to a specific poll.

Corporate Director Commercial Development, Assets and Investment
March 2022

AUDIT & GOVERNANCE COMMITTEE

16th March 2022

COUNTER FRAUD UPDATE

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) Note the summary of activity against the Counter Fraud Plan for 2021/22.

Executive Summary

2. This report presents a summary of activity against the Counter Fraud Plan for 2021/22, presented to the July 2021 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

Counter-Fraud Team Update

3. Counter-Fraud Service & Resources Update

The Counter Fraud team is fortunate to have an Accredited Financial Investigator as one of the Counter Fraud Officers. This means they have certain powers under POCA (Proceeds of Crime Act) to obtain and analyse financial information and data as part of investigations. This has been of great benefit in several investigations and has speeded up investigations as this is a function usually performed within the Police. The Manager of the team is undertaking the NCA (National Crime Agency) training to become an accredited SAO (Senior Appropriate Officer) which will support this function in reviewing and signing off their requests for financial information within the team.

As noted in the previous update report, the Counter Fraud team now receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Audit Manager meet with the Director of Law & Governance monthly to review, discuss and progress all whistleblowing investigations.

4. Key Performance Indicators & Trends:

Indicator	Value
New Cases YTD 2021/22	23 new cases during April 2021 – February 2022
Current open cases (by year)	22 open cases currently: 9 from 2021/22 9 from 2020/21 3 from 2019/20 1 from 2018/19
With the Police	5 joint cases with TVP
YTD New Cases by type	Employee: 7 Provider: 5 Direct Payment: 3 School: 2 Financial Assessment: 2 Procurement: 1 Recruitment: 1 Deprivation of Assets: 1 Grant: 1
YTD New Cases by referral source	Employee/internal control: 11 Whistle blower: 3 Member of public: 4 Other govt agency: 2 Service user/family: 1 Business: 1 Member of public (email): 1 Member of public Anon (letter): 1
Loss, recovery and prevented future loss YTD	Future loss prevented: £71,800 Recovery: £64,000
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Not proven: 10 Supplier no longer used: 1 DP moved to managed account: 1 DP ceased: 1 Disciplinary: 1 Referred to Action Fraud: 1 Partially proven: 1 Dismissal: 2
Fraud Awareness, Comms and Training sessions delivered YTD	Fraud awareness sessions delivered: 3 sessions for Schools (Head Teachers, Business Managers, Governors) Q3 followed by comms in the School Newsletter Finance Fraud Awareness Session Q4

	<p>Comms: International Fraud Awareness Week Nov: News Headlines on the Intranet; Update from Yvonne newsletter; Your Oxfordshire</p> <p>'60 seconds with' staff profile on Counter Fraud team member and Update from Chief Executive's story on OCC values in the team.</p> <p>Reminder in Managers Briefing on Conflicts of Interest</p> <p>News Headline on the Intranet on Conflicts of Interest and the new Whistleblowing policy</p>
--	--

5. Update against the Counter-Fraud Plan 2021/22

Objective	Actions	Update Nov 2021	Update Feb 2021
<p>Strategic: Establish BAU referral and investigation processes; agree and start using the Performance framework; move into building proactive anti-fraud work</p> <p>Culture Capacity Competence</p>	<ol style="list-style-type: none"> 1. Document key processes and flow charts for the Counter-Fraud Team (Q2) 2. Sign-off the proposed Performance Framework to monitor the team's performance, case levels and outcomes. (Q2) 3. Monitor team performance and outcomes (Ongoing) 	<ol style="list-style-type: none"> 1. Counter-Fraud Strategy agreed 2. Performance Methodology with PI's agreed 3. Costs Methodology developed and in use 4. PI s/s developed to monitor cases & progress & outcomes 5. Regular Performance Meetings scheduled and taking place (with S151) 	<p>All complete. Fraud risk assessment process started Q3, and this is feeding into proactive work plan for 2022 (see below).</p>
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication Collaboration</p>	<ol style="list-style-type: none"> 1. Complete and routinely update the Fraud Risk Register (Q2) 2. Deliver fraud awareness training (Direct Payment's and Schools – plus others as identified from fraud risk assessment) (ongoing and by Q4) 	<ol style="list-style-type: none"> 1. Fraud Risk Register developed and populated. Meeting scheduled Nov to agree methodology for use. 2. Fraud awareness training delivered for School Business Managers, Head Teachers and Governors. 	<ol style="list-style-type: none"> 1. Fraud Risk Register now business as usual (bi-monthly review meetings) 2. Fraud awareness training delivered for Finance staff 3. Direct Payment Fraud Awareness for new ASC staff

	<ol style="list-style-type: none"> 3. Undertake joint fraud/audit exercises (ongoing and by Q4) 4. Deliver fraud communications in line with a comms strategy under development (internal and external) 5. Blue Badge enforcement exercise (ongoing and by Q4) 6. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4) 	<ol style="list-style-type: none"> 3. Direct Payment Fraud Awareness training delivered in June 2021. 4. Joint fraud/audit exercises undertaken in relation to Provider investigations and a school audit/investigation. 5. Comms Fraud Awareness Strategy under development. Comms awareness due for International Fraud Awareness Week w/c 16th November. 6. Blue Badge Enforcement Strategy developed & for sign-off. 	<p>delivered Nov 2021</p> <ol style="list-style-type: none"> 4. Two investigations led to internal audits with Counter Fraud and Internal Audit Officers working jointly 5. Multiple fraud comms issued as per the comms plan (see KPI's above) 6. First on-street Blue Badge exercise planned for March 2022.
<p>Reactive: Manage fraud referrals and investigations</p> <p>Capacity Competence Collaboration</p>	<ol style="list-style-type: none"> 1. Manage fraud referrals 2. Investigate 3. Implement appropriate sanctions 4. Make recommendations to improve the control environment 5. Work with partner agencies and teams. 	<ol style="list-style-type: none"> 1. Fraud referrals received and investigated ongoing as appropriate. Currently 30 open cases. 2. Sanctions applied as appropriate (see KPI's above). 3. Joint working with TVP in particular is developing well, with several joint investigations ongoing (joint interviews under caution and investigations plans). 	<ol style="list-style-type: none"> 1. See KPI's above
<p>Data: Use data to detect and prevent fraud</p> <p>Competence Collaboration</p>	<ol style="list-style-type: none"> 1. Complete the 2020 NFI data matching (ongoing and by Q4) 2. Continue to participate into potential data matching exercise with other LA's. 	<ol style="list-style-type: none"> 1. NFI data matching is ongoing – on track to complete by end Q4 (see summary in next section). 	<ol style="list-style-type: none"> 1. See NFI update section

6. **Cases to Note (open/closed)**

There are currently 5 cases we have referred to the Police and we are working jointly together on the investigations. These relate to Direct Payment, Provider and Employee frauds/theft. In a joint investigation with HR into an employee theft, a disciplinary process has resulted in dismissal due to gross misconduct and an internal audit is reviewing the control environment.

Meetings have been held every 1-2 months between the Counter Fraud team and the Supported Transport Unit to discuss next steps in several investigations that have been ongoing with regards transport suppliers. An internal audit is currently underway also to review the contract management arrangements in this area (as part of a wider audit of contract management for 2021/22).

A separate report summarising the 'Operation Edifice' investigation is on the agenda of this Committee meeting.

7. **Other updates (NFI, Strategies, Proactive Reviews, Fraud Comms and Fraud Risk Register)**

National Fraud Initiative (NFI) Update

We have completed the review of NFI matches for the 2020 data upload. All reports have been closed other than some of the Pensions reports where investigations are ongoing. The outcomes of the exercise are:

Pensions expected recovery (so far): £55k (for cases where pensions continued to be paid after date of death)

Number of Blue Badges cancelled (deceased): 648 (=£372.6k prevented future loss, calculated using the NFI's methodology that a Blue Badge is valued at £575 per annum)

Number of Concessionary Travel Passes cancelled (deceased): 1980 (=£47.5k prevented future loss)

The payroll reports identified some instances where potential conflicts of interest should have been declared but had not (these have since been registered). The Counter Fraud team have worked with the Director of Law and Governance to update the Declaring Conflicts at Work policy and a recent communication has been issued in the Managers Briefings and the News Headline to remind managers and staff to check on an annual basis whether staff have any conflicts that need to be declared.

Fraud Risk Register

The Fraud Risk Register is complete, and a business-as-usual process is in place to review, update and re-assess the register on a bi-monthly basis. This will then identify the areas of fraud risk in the organisation so we can target pro-active work.

Pro-active work and comms

So far, the pro-active work undertaken has focused on staff training and awareness sessions. This began with schools, as we delivered presentations in the Head Teachers, Governors and Business Managers forums. We also recently delivered a fraud awareness and risk identification session to all Finance staff. We are currently organising a session with the Financial Assessment and Social Care Debt Recovery team, as well as the recently formed Direct Payments teams (Direct Payment audit and Direct Payment advice teams). In addition, 6-weekly meetings with this team are held to discuss Direct Payment fraud cases and risks.

The Counter Fraud team recently participated in a fraud discussion with finance and fraud staff at Hampshire to discuss fraud risk and anti-fraud controls. It is planned that these meetings will take place more frequently going forwards.

Blue Badge Enforcement

Following the sign-off of the Blue Badge Enforcement Strategy at the January Audit & Governance Committee, the Counter Fraud Team have drafted an Operational Order in advance of the first scheduled on-street exercise in March. The team is working closely with the Blue Badge team in Customer Services, Legal, Parking and Conduent to plan the exercise, which will be undertaken jointly with Officers from the Counter Fraud Team and a Civil Enforcement Officer from Conduent. The results will be reported back to the next Committee meeting and will be published externally by the Press team.

Financial Implications

8. There are no direct financial implications arising from this report. The report presents amounts recovered and prevented future losses from individual investigations.

Comments checked by:

Lorna Baxter, Director of Finance, lorna.baxter@oxfordshire.gov.uk

Legal Implications

9. There are no direct legal implications arising from this report. The Director of Law and Governance and also the Head of Legal are involved in all Whistleblowing referrals and fraud referral cases that proceed to investigation stages.

Comments checked by:

Sukdave Ghuman, Head of Legal, sukdave.ghuman@oxfordshire.gov.uk

Staff Implications

10. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

11. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

12. There are no direct sustainability implications arising from this report.

Risk Management

13. There are no direct risk management implications arising from this report.

Lorna Baxter, Director of Finance

Annex: Nil

Background papers: Nil

Contact Officers: Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk
Tessa Clayton, Audit Manager & Counter Fraud Lead
Tessa.clayton@oxfordshire.gov.uk

March 2022

This page is intentionally left blank

AUDIT & GOVERNANCE COMMITTEE - 16th March 2022

OPERATION EDIFICE INVESTIGATION REPORT

**Report by Steve Jorden, Corporate Director – Commercial,
Development, Assets & Investment (CDAI)**

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - (a) Note the findings from the 'Operation Edifice' investigation.
 - (b) Consider the management response and Action Plan resulting from the investigation in Annex 1.

Executive Summary

2. This report presents a summary of the investigation named 'Operation Edifice' conducted by the Council's Counter Fraud team since September 2020 and overseen by the Corporate Director CDAI.
3. The investigation reviewed issues surrounding engagement of suppliers and practices within the Facilities Management department and the construction of the Temporary Place of Rest (TPOR).
4. There were multiple strands to the investigation. Some of the issues have been substantiated, whilst others were not. The investigations into the various strands have now been completed, hence this report to conclude the investigation.
5. One strand of the investigation regarding a supplier has been referred to the police, so cannot be disclosed further at this stage and has not yet been closed down. Other suppliers were included within the investigation and contract management discussions were held with the Corporate Director CDAI but were not referred to the police.
6. Improvement actions were identified and have been addressed, as captured in the Action Plan in Annex 1.
7. Changes implemented within Facilities Management (not all as a result of this investigation) have addressed the concerns raised. These include the restructuring, the Joint Property Transformation Programme and the Provision Cycle.

Exempt Information

8. The public should be excluded during consideration of Annex 1 because its discussion in public would be likely to lead to the disclosure to members of the

public present of information in the following categories prescribed by Part I of Schedule 12A to the Local Government Act 1972 (as amended):

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

9. It is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would be to the detriment of the Council's ability to properly discharge its fiduciary and other duties as a public authority.

Summary of Investigation

10. Background

In September 2020, concerns were raised with the Counter Fraud Team which were considered under the Council's Whistleblowing Policy. The concerns surrounded the engagement of suppliers and practices within the Facilities Management department and the construction and maintenance of the Temporary Place of Rest (TPOR) established at the outset of the Covid pandemic in March 2020.

The investigation was overseen by the Corporate Director for CDAI, the Monitoring Officer, the Director of Finance and Director of HR and co-ordinated by the Counter Fraud team within Internal Audit.

As well as the elements investigated by the Counter Fraud team, two separate external investigators were engaged to provide independence, additional resource and technical expertise. One was a specialist fraud investigator engaged via an external agency to support with the fraud investigation into suppliers. The other was an HR/Legal specialist investigator to review the concerns relating to HR and management issues.

The Internal Audit team also undertook an audit into the expenditure and governance processes surrounding the TPOR (Executive Summary submitted to the Audit & Governance Committee in June 2021). The attached Action Plan in Annex 1 to this report includes the agreed management actions from Covid Payments expenditure Report.

The Audit Working Group were briefed on the ongoing investigation during 2021 in the Fraud update papers. The Corporate Director for CDAI also attended the Audit Working Group in April 2021 to provide a more detailed verbal update.

This report and the appended Action Plan (in Annex 1) provide a summary of the investigation and findings from all these sources, as the investigation is now complete. References to Actions are included in brackets in the report. Annex 1 also contains the confidential information in relation to the suppliers investigated and the values of the activity.

11. Timeline

March 2020 – Urgent need for additional mortuary capacity identified and decision made by Gold Command to commission the construction of a Temporary Place of Rest (TPOR) at the former RAF base in Heyford (in line with the 'Excess Deaths Plan').

Facilities Management were responsible for engaging suppliers for the construction, assets, utilities and security of the site. The 3 main suppliers selected were existing OCC suppliers.

April 2020 – The site was set up and operational within 10 days, as 3 hangars were transformed into TPOR's for a period of up to 6 months (April – September 2020).

September 2020 – The TPOR site was de-commissioned and by October was stood down completely.

An audit into the accuracy and integrity of Covid expenditure commenced, including the TPOR. A separate but linked investigation (Operation Edifice) into the engagement of suppliers in the TPOR as well as wider practices in FM commenced.

December 2020 – Audit Working Group informed of investigation through the Chief Internal Auditor quarterly update and were updated ongoing through their quarterly reports.

April 2021 – Covid Payment audit report issued and subsequently submitted to the June 2021 Audit & Governance Committee. In April the Corporate Director for CDAI attended the Audit Working Group to brief members on the evolving investigation.

End 2021 – Investigation into the TPOR Suppliers, the Facilities Management issues and HR investigation concluded.

February 2022 – This report compiled for Senior Leadership Team and Audit & Governance Committee to present final findings.

12. Key Findings

The key issues have been divided into 3 strands (Practices within FM, the TPOR and HR/Management issues). The issues, findings and actions/lessons learnt are summarised as follows:

I. Practices within Facilities Management

Summary of alleged issues: Some FM staff and managers were not following correct policies and procedures in relation to the use of OCC resources, purchasing, procurement, expenses and Health & Safety checks. There were 6 issues specifically that were investigated and concluded upon (as detailed in Annex 1).

Findings and Conclusions: None of the 6 specific issues were substantiated. However, they did lead to the identification of some improvement actions in relation to policies and procedures within FM which included processes for matching orders to expenditure, oversight of overtime and the team's contract, tendering and procurement processes.

Actions/Lessons Learnt:

- The matching of FM Orders to expenditure (mostly on p-cards) needs to be more robust and transparent to enable purchases and spend per job to be traced (Action 8).
- As part of the wider FM review and re-structuring, changes have been made to the expenses, mileage and overtime arrangements within the team to ensure these are in line with business need (Action 10).
- A review of all services and contracts has been underway within FM to ensure all service areas have been properly tendered and contracts in place and contract monitoring arrangements are confirmed. Provision Cycle training will be delivered to FM staff (Actions 2, 4, 5 and 6).

II. Practices in the TPOR project

Alleged issue: Price inflation and over-charging by suppliers at the TPOR project.

Findings and Conclusions: The project was undertaken within a very challenging emergency context and at speed. As such in order to complete the project at the necessary pace the Council's Contract Procedure Rules - Exemption Procedure were applied as per governance rules.

The investigation substantiated issues with the engagement and transparency of costs with some suppliers at the TPOR project. In the case of one supplier in particular, a referral for potential fraud has been made to the police for a potential overcharge.

In the case of other suppliers the Corporate Director CDAI and Director of Joint Property Services met with them to challenge the values charged (Action 12). It was concluded that whilst there were lessons learnt for emergency planning situations, there was no evidence of fraud.

The audit of the TPOR also identified issues with inadequate asset management at the site (as reported in the April 2021 audit report). Assets were not adequately tracked and where disposed of this was not signed off correctly (Action 14).

Actions/Lessons Learnt:

The Council has noted lessons to be learnt in the Emergency Planning strategy to ensure Procurement and Finance are engaged at the outset of an emergency. Greater transparency on supplier costs and charges in quotes and invoicing is another lesson learnt for any future emergency context. (Actions 13, 15, 16).

As per Section i) above, the review of contracts in FM has been undertaken.

III. HR and Management issues

Alleged issue: Issues raised prior to the September 2020 notification to Counter Fraud had not been adequately addressed by management or HR.

Findings: The HR investigation (Action 17) identified that some issues had been properly addressed, however it did identify that some issues raised previously should have been considered under the Whistleblowing policy but were not.

Actions/Lessons Learnt: The Council's Whistleblowing Policy was in need of updating and a procedure for receiving and dealing with whistle blowing complaints centrally put in place (Actions 18, 19).

Staff training and awareness raising is required on the Whistleblowing policy to ensure staff, managers and HR are aware of what constitutes a potential Whistle blowing and how this should be treated. This will be rolled out during 2022. (Action 20)

13. **Outcomes and Actions Taken**

Annex 1 contains the comprehensive Action Plan that was developed and tracked during the course of the investigation. It contains the findings and actions from all elements of the investigation: the fraud investigation (by the Counter Fraud team and the externally-sourced investigator); the HR investigation undertaken by the external HR investigator; and the internal audit of the TPOR.

20 actions are listed in the Action Plan (Annex 1) with 10 having been implemented and 10 are ongoing or not yet due.

The Council has undertaken a robust investigation into all strands of the allegations received - overseen and supported at SLT level.

Improvements to the control environment have been identified and actions taken to address these undertaken promptly. The key focus is to ensure organisational improvement in practices and minimise the risk of any future occurrence.

The Whistleblowing Policy has been reviewed and updated by the Monitoring Officer. A new procedure for centrally receiving, coordinating and monitoring Whistle blowing allegations has been put in place. A training and awareness programme will be rolled out during 2022, led by the Monitoring Officer and Director of HR.

Improvements within FM have been embedded into the review and restructuring of that service area. There are some actions to be completed in this area during 2022 as the new structure is put into place, including for example FM staff training on the new Provision Cycle.

The joint working between the Counter Fraud team and TVP has worked effectively in the specific case referred to them. A joint investigation plan was undertaken including joint interviews under caution. This investigation is still ongoing so further information cannot be provided at this stage.

Legal Implications

14. There are no direct legal implications arising from this report. The Head of Legal Services has been involved at all stages of the investigation.

Comments checked by: Sukdave Ghuman, Head of Legal Services
Sukdave.ghuman@oxfordshire.gov.uk

Financial Implications

15. The cost of the fraud investigation was £21k in addition to staff time of those involved in the investigation. Depending on the outcome of the ongoing police investigation, there may be a potential recovery cost element as a result of the fraud investigation.

Comments checked by: Lorna Baxter, Director of Finance
Lorna.baxter@oxfordshire.gov.uk

Staff Implications

16. There are no staffing implications arising directly from this report.

Equality & Inclusion Implications

17. There are no equality and inclusion implications arising directly from this report.

Sustainability Implications

18. There are no sustainability implications arising directly from this report.

Risk Management

19. There are inherent fraud risks in local authorities in some of the areas under investigation, in particular when dealing with suppliers and the use of suppliers. The Action Plan captures the actions taken to mitigate and manage the risks identified specifically in this investigation.

Steve Jordan, Corporate Director CDAI

Annex: Annex 1 contains the Actions with implementation progress listed against each action.

Background papers: None.

Contact Officer: Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk / Tessa Clayton, Audit
Manager and Counter-Fraud Lead
Tessa.clayton@oxfordshire.gov.uk

March 2022.

This page is intentionally left blank

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

16th March 2022

CODE OF CONDUCT

Report by Director of Law and Governance

RECOMMENDATION

- 1. The Audit and Governance Committee is RECOMMENDED to adopt the revised Councillors' Code of Conduct at Appendix (1) for implementation from 1 May 2022.**

Summary and Background

2. Section 27(2) of the Localism Act 2011 requires local authority must adopt 'a code dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity.
3. Oxfordshire County Council adopted the Members' Code of Conduct on 10 July 2012 and it forms part of the Constitution. All Oxfordshire local authorities are covered by a single, jointly-agreed Code of Conduct which ensures that councillors who are members of multiple authorities within the area are covered by a single code, providing clarity and consistency. The same Members' Code of Conduct has been adopted by many town and parish councils in Oxfordshire.
4. In 2018 the Committee on Standards in Public Life ("the CSPL") undertook a review of local government ethical standards. CSPL considered that robust standards arrangements are needed to safeguard local democracy, maintain high standards of conduct, and to protect ethical practice in local government. A consultation period ran from 29 January to 18 May 2018.
5. The terms of reference for the review included to examine the structures, processes and practices in local government in England for:
 - 5.1. maintaining codes of conduct for local councillors
 - 5.2. investigating alleged breaches fairly and with due process
 - 5.3. enforcing codes and imposing sanctions for misconduct
 - 5.4. declaring interests and managing conflicts of interest
 - 5.5. whistleblowing
6. The CSPL published the Local Government Ethical Standards report ("the Report") on 30 January 2019.

<https://www.gov.uk/government/publications/local-government-ethical-standards-report>

7. The Local Government Association (“the LGA”) then released a draft Model Member Code of Conduct on 8 June 2020 and sought views on it. The LGA published a Model Member Code of Conduct in December 2020 which was updated in January and May 2021. The LGA issued some accompanying guidance in July 2021.

<https://www.local.gov.uk/publications/local-government-association-model-councillor-code-conduct-2020>

<https://www.local.gov.uk/publications/guidance-local-government-association-model-councillor-code-conduct>

LGA Model Code of Conduct

8. The LGA Model Code is said to “have been designed to protect our democratic role, encourage good conduct, and safeguard the public’s trust and confidence in the role of councillor in local government. While it sets out the minimum standards of behaviour expected, together with the guidance, it is designed to encourage councillors to model the high standards expected of councillors, to be mutually respectful even if they have personal or political differences, to provide a personal check and balance, and to set out the type of conduct that could lead to complaints being made of behaviour falling below the standards expected of councillors and in breach of the code. It is also to protect councillors, the public, local authority officers and the reputation of local government.
9. The LGA Model Code does not differ significantly in content from the local code already in operation in Oxfordshire, although some of the language used is different. The Oxfordshire authorities have worked collaboratively to consider whether to adopt the model code from the LGA, to keep the current Members' Code of Conduct or to adopt an amended Members' Code of Conduct.
10. The Monitoring Officers working with the Oxfordshire Association of Local Councils have drafted an amended Councillors' Code of Conduct which will be considered by each of the Oxfordshire Authorities for approval. The proposed draft is contained in Appendix 1 to this report and it is intended that all of the Oxfordshire Authorities adopt the Code for implementation from May 2022 onwards.
11. The draft Code sets out general principles of conduct expected of all Councillors as well as specific obligations in relation to standards of conduct. The fundamental aim of the draft Code is to create and maintain public confidence in the role of the Councillor and in Local Government. The Code of Conduct will apply to each Councillor as soon as they sign the declaration of acceptance of the office of Councillor or attend their first meeting as a co-opted member and continues to apply until the role as a Councillor ceases.

The Draft Oxfordshire Code

12. The draft Oxfordshire Code applies to members acting in their capacity as a Councillor which may include when:

- the position as a Councillor is misused; or when
- the impression is given to a reasonable member of the public with knowledge of all the facts that an individual is acting as a Councillor.

Members are expected to uphold high standards of conduct and show leadership at all times.

13. The draft Oxfordshire Code applies to all forms of communication and interaction, including at face-to-face meetings, at online or telephone meetings, in written communication, in verbal communication, in non-verbal communication and in electronic and social media communication, posts, statements and comments.

14. The draft Oxfordshire Code includes the following standards/obligations, with guidance given for each obligation to help explain the reasons for the obligations and how they should be followed:

14.1. **Respect** - A Councillor:

Shall treat everyone, including other Councillors and members of the public with respect and shall treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word.

14.2. **Bullying, Harassment and Discrimination** – A Councillor:

Shall not bully or harass any person and shall promote equalities and not discriminate against any person.

Bullying is described as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age,

disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

14.3. **Impartiality of Officers of the Council** – A Councillor:
Shall not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

14.4. **Confidentiality and access to information** – A Councillor:
Shall not disclose information either given to them in confidence by anyone or acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, unless:

- they have received the consent of a person authorised to give it; or
- they are required by law to do so; or
- the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
- the disclosure is reasonable and in the public interest; and also made in good faith and in compliance with the reasonable requirements of the local authority and consultation with the Monitoring Officer has taken place prior to its release.

Shall not improperly use knowledge gained solely as a result of their role as a Councillor for the advancement of themselves, their friends, family members, employer or business interests. Shall not prevent anyone from getting information that they are entitled to by law.

When making decisions on behalf of, or as part of, the Council shall have due regard to any professional advice provided by the Council's Officers.

14.5. **Disrepute** - A Councillor:
Shall not bring their role or local authority into disrepute.

14.6. **Use of position** - A Councillor:
Shall not use, or attempt to use, their position improperly to the advantage or disadvantage of anyone.

14.7. **Local authority Resources and Facilities** - A Councillor:
Shall not misuse council resources. Shall, when using the resources of the local authority or authorising their use by others, act in accordance with the local authority's requirements; and ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which they have been elected or appointed.

14.8. **Compliance with the Code of Conduct** - A Councillor:

Shall undertake Code of Conduct training as required by the local authority. Shall cooperate with any Code of Conduct assessment, investigation, hearing and/or determination. Shall not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings. Shall comply with any sanction imposed on them following a finding that they have breached the Code of Conduct.

14.9. **Gifts and Hospitality - A Councillor:**

Shall not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage. Shall register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt. Shall register with the Monitoring Officer any significant gift or hospitality that they have been offered but have refused to accept. Sets out the obligations for councillors in relation to **the registration/declaration of interests** including Disclosable Pecuniary Interests (DPI) and other registrable interests. It also contains guidance on the steps that must be taken if a councillor has an interest in a matter that is under consideration by the Council, including when it relates to a non-registrable interest. Where a matter arises at a meeting which directly relates to a councillor's financial interest or wellbeing (and does not fall within the definition of disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, it is a non-registrable interest.

Financial Implications

15. There are no financial implications associated with this report.

Legal Implications

16. Section 27(2) of the Localism Act 2011 says that a local authority must adopt 'a code dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity. The adoption of the draft Code of Conduct will ensure continued statutory compliance.

Comments checked by: Sukdave Ghuman, Head of Legal Services

Staff Implications

17. There are no staffing implications

Equality & Inclusion Implications

18. There are no equality and inclusion implications.

This page is intentionally left blank

OXFORDSHIRE COUNCILS' COUNCILLOR CODE OF CONDUCT 2022

8th February 2022

1. Introduction

The Council has a duty to promote and maintain high standards of conduct by members and co-opted members of the Council, and formally adopt a code of conduct, in accordance with the *Localism Act 2011*.

2. Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a Councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow Councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all Councillors and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of the Councillor and in Local Government.

3. Definitions

For the purposes of this Code of Conduct, a "Councillor" means a member or co-opted member of the local authority. A "co-opted member" is defined in the *Localism Act 2011 Section 27(4)* as "a person who is not a member of the authority but who

- 3.1. is a member of any committee or sub-committee of the authority, or;
- 3.2. is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

4. General Principles of Councillor Conduct

Everyone in public office and all who serve the public or deliver public services, including Councillors and local authority officers, should uphold the Seven Principles of Public Life, also known as the Nolan Principles, (see Appendix A). Building on these principles of selflessness, objectivity, accountability, openness, honesty and integrity and leadership, the following general principles have been developed specifically for the role of Councillor.

In accordance with the public trust placed in Councillors, on all occasions a Councillor shall:

- act with integrity and honesty
- act lawfully
- treat all persons fairly and with respect; and
- lead by example and act in a way that secures public confidence in the role of Councillor.

- impartially exercise their responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently in accordance with the local authority's requirements and in the public interest.

These general principles have been incorporated into the obligations of the Code of Conduct as set out below.

5. Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of Councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a Councillor.

This Code of Conduct applies to you when you are acting in your capacity as a Councillor which may include when:

- you misuse your position as a Councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Councillor.

The Code applies to all forms of communication and interaction, including at face-to-face meetings, at online or telephone meetings, in written communication, in verbal communication, in non-verbal communication and in electronic and social media communication, posts, statements and comments.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish Councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

6. Standards of Councillor Conduct

This section sets out the obligations (in bold below), which are the minimum standards of conduct required of a Councillor. Should a Councillor's conduct fall short of these standards, a complaint may be made against them, which may result in action being taken.

Guidance is also included below each obligation to help explain the reasons for the obligations and how they should be followed.

6.1. Respect

A Councillor:

6.1.1. Shall treat everyone, including other Councillors and members of the public with respect.

6.1.2. Shall treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with

respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Councillors.

In return, you have a right to expect respectful behaviour from everyone. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the relevant social media provider and/or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor - officer protocol.

6.2. Bullying, Harassment and Discrimination

A Councillor:

6.2.1. Shall not bully any person.

6.2.2. Shall not harass any person.

6.2.3. Shall promote equalities and not discriminate against any person.

Bullying is offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Legislation places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

6.3. Impartiality of Officers of the Council

A Councillor:

6.3.1. Shall not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral, (other than political assistants where applicable). They should not be coerced or persuaded to act in a way that would undermine their neutrality. A Councillor may question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, a Councillor must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

6.4. Confidentiality and access to information

A Councillor:

6.4.1. Shall not disclose information either given to them in confidence by anyone or acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, unless

- I. They have received the consent of a person authorised to give it; or**
- II. They are required by law to do so; or**
- III. The disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
- IV. The disclosure is reasonable and in the public interest; and also made in good faith and in compliance with the reasonable requirements of the local authority and consultation with the Monitoring Officer has taken place prior to its release.**

6.4.2. Shall not improperly use knowledge gained solely as a result of their role as a Councillor for the advancement of themselves, their friends, family members, employer or business interests.

6.4.3. Shall not prevent anyone from getting information that they are entitled to by law.

6.4.4. When making decisions on behalf of, or as part of, the Council shall have due regard to any professional advice provided by the Council's Officers .

6.5. Disrepute

A Councillor:

6.5.1. Shall not bring their role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other Councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions.

6.6. Use of position

A Councillor:

6.6.1. Shall not use, or attempt to use, their position improperly to the advantage or disadvantage of anyone.

A Councillor should not take advantage of opportunities, responsibilities and privileges to further their own or others' private interests or to disadvantage anyone unfairly.

6.7. Local Resources and Facilities

A Councillor:

6.7.1. Shall not misuse Council resources.

6.7.2. Shall, when using the resources of the local authority or authorising their use by others, act in accordance with the local authority's requirements; and ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which they have been elected or appointed.

A Councillor may be provided with resources and facilities by the local authority to assist them in carrying out their duties as a Councillor. Examples may include office support, stationery, equipment such as phones, computers and transport and access and use of local authority buildings and rooms.

6.8. Compliance with the Code of Conduct

A Councillor:

6.8.1. Shall undertake Code of Conduct training as required by the local authority.

6.8.2. Shall cooperate with any Code of Conduct assessment, investigation, hearing and/or determination.

6.8.3. Shall not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

6.8.4. Shall comply with any sanction imposed on them following a finding that they have breached the Code of Conduct.

It is extremely important for a Councillor to demonstrate high standards, to have your actions open to scrutiny and not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with the Monitoring Officer.

7. Registering and Declaring Interests

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an

interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

7.1. Disclosable Pecuniary Interests

A Councillor must, within 28 days of taking office as a member or co-opted member, notify the Council's Monitoring Officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State (see Appendix B), where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners. Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You must disclose the interest at any meeting of the Council at which you are present, where you have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'. If it is a 'sensitive interest', you must disclose the fact that you have an interest but do not have to disclose the nature of it. (A sensitive interest is an interest which, in the opinion of the Monitoring Officer, if disclosed, could lead to the Councillor, or a person connected with them, being subjected to violence or intimidation.) You are personally responsible for deciding whether or not you should disclose an interest in a meeting.

Following any disclosure of an interest not on the Council's register, or the subject of pending notification, you must notify the Monitoring Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, by the Monitoring Officer, you may not participate in any discussion of, or vote on, or discharge any function related to any matter in which you have a disclosable pecuniary interest. You must withdraw from the room or chamber when the meeting discusses and votes on the matter.

Where you have a disclosable pecuniary interest on a matter to be considered or being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

You must ensure that your register of interests is kept up to date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Appendix B is a criminal offence under the Localism Act 2011.

7.2. Other Registerable Interests

You must also register your other registerable interests with the Monitoring Officer within 28 days of taking office and ensure these are kept up to date by notifying any changes within 28 days.

Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Appendix C), you must disclose the interest. 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. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise 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. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

7.3. Non-Registerable 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 at 7.1 above), or the financial interest or wellbeing of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise 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. If it is a sensitive interest you do not have to disclose the nature of 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 as set out at 7.2 above and appendix C you must disclose 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. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have a Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further

steps in the matter apart from arranging for someone else to deal with it.

8. 8.0 Gifts and Hospitality

A Councillor:

- 8.1. Shall not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.**
- 8.2. Shall register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
- 8.3. Shall register with the Monitoring Officer any significant gift or hospitality that they have been offered but have refused to accept.**

The presumption should always be not to accept significant gifts or hospitality but there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered.

You do not need to register gifts and hospitality which are not related to your role as a Councillor.

It is appropriate to accept normal expenses and hospitality associated with your duties as a Councillor.

Appendix A – The Seven Principles of Public Life

The principles are:

1. **Selflessness**

Holders of public office should act solely in terms of the public interest.

2. **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

3. **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. **Honesty**

Holders of public office should be truthful.

7. **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B: Discloseable Pecuniary Interests

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in the table below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

This table sets out the explanation of Discloseable Pecuniary Interests as set out in the [Relevant Authorities \(Discloseable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession, or vocation	Any employment, office, trade, profession, or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the Councillor's knowledge) -</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issues share capital of that class.</p>

* 'Director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

APPENDIX C: DISCLOSURE OF OTHER REGISTRABLE INTERESTS

You must register as an Other Registrable Interest:

- 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.

AUDIT & GOVERNANCE COMMITTEE 16 MARCH 2022

Report of the Audit Working Group 24 January 2022

Report by Lorna Baxter

RECOMMENDATION

1. The Committee is **RECOMMENDED** to note the report.

Executive Summary

1. The Audit Working Group (AWG) met on 24 January 2022. The group received a briefing from Senior Officers, regarding assurances over the robustness of processes in place to manage the revised timescales and increased costs in relation to the Housing Infrastructure Funding (HIF) 1 programme.

Introduction

2. Attendance:
Full Meeting: Chairman Dr Geoff Jones Councillors: Roz Smith, Brad Baines, Donna Ford, Judy Roberts, Ian Middleton.

Officers: Sarah Cox, Chief Internal Auditor, Lorna Baxter, Director of Finance, Lucy Tyrrell, Committee Officer, Cameron Maclean, Committee Officer, Anita Bradley, Director of Law & Governance, Ian Dyson, Assistant Director of Finance, Bill Cotton, Corporate Director, Owen Jenkins, Director of Growth and Economy.

Matters to Report:

AWG 22.02 HIF Didcot Infrastructure Programme Delivery and Costs

3. The Audit and Governance Committee had requested that on its behalf the Audit Working Group (AWG), seek assurance from Senior Officers that robust processes are in place to ensure that the HIF1 programme can be delivered within the revised timeframe of March 2026 and within the increased cost.
4. The Officers circulated in advance (to all Audit & Governance Committee members) a detailed presentation setting out background and governance over the HIF1 Programme. At the AWG meeting the Director of Growth and Economy summarised the overall financial position of the programme, and the sources of funding used to finance it. It was confirmed that the latest estimate of costs

includes a risk and contingency allocation as mitigation for identified contract and supply risks. The group noted that the basis of the reported costs and delivery milestones had also been subject to external independent verification.

5. The AWG questioned the governance structure and arrangements for the management of this programme and noted that there is a clear governance and reporting structure to monitor and manage the performance and risks of the Programme. This includes an Assurance Board made up of Senior Managers to provide strategic oversight of performance and risk. The group was given assurance there are escalation routes for all key risks and issues. Officers reported that a dedicated reporting and monitoring software system is in place and used for the management of this Programme. It records all information and decisions, providing a full trail that is monitored and overseen by the project management office.
6. Officers provided assurance that the programme has the staffing resources, structure and skills to manage the programme, but it was highlighted there is reliance on the external sourcing of resources engaged. The Group questioned officers on the adequacy of staffing currently in place and plans to meet future need and how turnover and absence was planned for and managed, with a key risk being the retention of specialist skills and knowledge. Assurance was provided that processes are in place to manage this risk which include building staffing resilience through entering into a delivery partner contract with a consultant enabling the Council to flexibly recruit skilled and experienced resource when required. Officers also reported that a fully staffed commercial team is now in place who work closely with the programme delivery team. There are between 70 and 100 staff (internal and external) in the Infrastructure Team, working across all major projects, including the HIF1 programme.
7. The group sought to establish with officers that there were sufficient contract management arrangements in place, and how the reliability of the supply chain and future costs, are monitored and managed. The group was given assurance that there is a team which manages the procurement elements of the programme, which includes external expertise. A key focus is to continually review each procurement stage to ensure value for money is being achieved.
8. The group considered the current risks and issues for the programme, which include significant labour and material shortages, material price increases, etc and how these are being managed and mitigated. The programme is supported by a dedicated risk manager. Programme and individual project risk registers are maintained on a minimum monthly basis. The risk and contingency allocation are based upon a standard industry approach to mitigate/manage these risks.
9. It was noted that there had been a number of lessons learnt during the development stages of the programme and since the original funding bid was submitted. The learning has been or is in the process of being applied both to this programme and to other future schemes. AWG members reiterated the importance of ensuring lessons learnt right from the original bid stage / risk assessment processes are applied going forward.

10. Officers provided assurance to the group that the additional costs required for HIF1, do not impact or risk other schemes within the capital programme.
11. The group were satisfied with the reported governance and processes in place at this stage of the programme, to manage the risk of delivery and additional cost. Officers were able to demonstrate good governance practices, clear identification, escalation and management of risks and issues and that where needed additional skills and knowledge were being brought in. The group however acknowledged the significance of the programme to the council, the ongoing risks involved to delivery and costs and that as a committee, further assurances and monitoring of the governance, risk management and process arrangements would be required going forward.

Financial Implications

12. There are no direct financial implications arising from this report.

Comments checked by: Lorna Baxter, Director of Finance
lorna.baxter@oxfordshire.gov.uk

Legal Implications

13. There are no direct legal implications arising from this report.

Comments checked by: Sukdave S. Ghuman
Head of Legal Services & Deputy Monitoring Officer
sukdave.ghuman@oxfordshire.gov.uk

Lorna Baxter
Director of Finance

Annex: None
Background papers: None

[
Contact Officer: Sarah Cox, Chief Internal Auditor.
Email: sarah.cox@oxfordshire.gov.uk

January 2022

This page is intentionally left blank