



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

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

Wednesday, 18 September 2024 at 1.00 pm

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

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

Martin Reeves
Chief Executive

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

Membership

Chair – Councillor Ted Fenton
Deputy Chair - Councillor Roz Smith

Councillors

Brad Baines
Felix Bloomfield
Jenny Hannaby

Bob Johnston
Nick Leverton
Ian Middleton

Glynis Phillips

Co-optee

Dr Geoff Jones

Notes:

- ***Date of next meeting: 27 November 2024***

AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes (Pages 1 - 10)**

To approve the minutes of the meeting held on 17 July 2024 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

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

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

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

5. Treasury Management Quarter 1 Performance Report 2024/2025 (Pages 11 - 24)

Report by the Executive Director of Resources & Section 151 Officer

Throughout this report, the performance for the first quarters of the year to June 2024 is measured against the budget agreed by Council in February 2024.

As at 30 June 2024, the council's outstanding debt totalled £284m and the average rate of interest paid on long-term debt during the year was 4.39%. No external borrowing was arranged or repaid during the quarter. The council's forecast debt financing position for 2024/25 is shown in Annex 1.

The [Treasury Management Strategy for 2024/25](#) agreed in February 2024 assumed an average base rate of 4.75%.

The average daily balance of temporary surplus cash invested in-house was expected to be £462m in 2024/25, with an average in-house return of 4.25%.

During the three months to 30 June 2024 the council achieved an average in-house return of 5.01% on average cash balances of £466.871m, producing gross interest receivable of £5.829m. In relation to external funds, the return for the three months was £0.527m, bringing total investment income to £6.356m. This compares to budgeted investment income of £4.437m, giving a net overachievement of £1.919m.

At 30 June 2024, the council's investment portfolio totalled £553.992m. This comprised £414.000m of fixed term deposits, £42.551m at short term notice in money market funds and £97.442m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2024.

Recommendations:

The Audit & Governance Committee is RECOMMENDED to note the council's treasury management activity at the end of the first quarter of 2024/25.

6. Monitoring Officer Annual Report (Pages 25 - 36)

Report by the Director of Law & Governance and Monitoring Officer

This report gives an overview from the Monitoring Officer of democratic and ethical governance activity, during the municipal year 2023-24 (1 April 2023 to 31 March 2024), in relation to the functions of the Audit and Governance Committee.

Recommendations:

The Audit and Governance Committee is recommended to consider and endorse the report

7. RIPA Policy (Pages 37 - 56)

Report by Anita Bradley, Director of Law & Governance and Monitoring Officer

The Council may occasionally need to carry out covert surveillance. The Regulation of Investigatory Powers Act 2000 ('the Act') and supporting Codes of Practice provide the legal framework under which public bodies may lawfully undertake covert surveillance. Compliance with the Act and the supporting Codes of Practice provides protection to the Council in the event that an individual challenges the actions of the Council on the basis that those actions were an infringement of the individual's human rights. It also reduces the likelihood that any evidence obtained through covert surveillance and used in legal proceedings is ruled inadmissible.

Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2023 and March 2024 for review by Cabinet.

The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the policy') is updated annually and received a significant refresh in 2023. This

included incorporating feedback from the Investigatory Powers Commissioner's Office (IPCO). This year, officers are not recommending any changes to the policy.

Recommendations:

The Audit and Governance Committee is RECOMMENDED to:

- a) **Note the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider, and**
- b) **Consider and note the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council**

8. Reforms to clear backlog in local audit (Pages 57 - 62)

Report by the Executive Director of Resources and Section 151 Officer

This report sets out an update on measures being put in place by the government to address the local audit backlog in England and what that will mean locally.

Recommendations:

The Audit and Governance Committee is recommended to:

- (a) **Note the update on the arrangements that the government intends to put in place to address the local audit backlog in England.**
- (b) **Note the approach that EY LLP intend to take to the audit and reporting on the council's accounts for 2022/23 onwards.**

9. Local Government and Social Care Ombudsman's Annual Review Report (Pages 63 - 118)

Report by the Director of Law & Governance and Monitoring Officer

Each year, the Local Government and Social Care Ombudsman (LGSCO) issues an Annual Review Report about each council. This relates to the complaints made to the LGSCO about the Council in the previous financial year. This report updates the Committee on this area of governance for the year 2023/4, reflecting on those complaints that were considered by the LGSCO up to 31 March 2024.

Recommendations:

The Audit and Governance Committee is RECOMMENDED to receive and comment on the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2023/24, and the work undertaken by the Council regarding its handling of complaints.

10. Audit Working Group Update (Pages 119 - 122)

Report by Executive Director of Resources

The Audit Working Group (AWG) met on 31 July 2024. The group received an update on the implementation of management actions arising from the audits of Purchasing Cards, Health Funded Payments and Payments to Providers which were all undertaken during 2023/24.

Recommendations:

The Audit and Governance Committee is RECOMMENDED to note the report.

11. Health and Safety Annual Report (Pages 123 - 126)

Report by Vic Kurzeja

The H&S Annual Report is a summary of performance and is part of the corporate governance framework. It seeks to provide the Committee with assurance that arrangements for managing health safety are suitable and sufficient whilst identifying areas for improvement.

Recommendations:

The Audit & Governance Committee is RECOMMENDED to note and accept the contents of the Health and Safety (H&S) Annual Report and the work of the H&S Team to support services and improve performance keeping employees and customers safe.

12. Internal Audit 2023/24 - Progress Report (Pages 127 - 144)

Report by the Executive Director of Resources

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

The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the May 2024 Committee. Since the last update, there have been no red reports issued.

Recommendations:

The Audit and Governance Committee is RECOMMENDED to note the progress with the 2024/25 Internal Audit Plan and the outcome of the completed audits.

13. Ernst & Young Update (Verbal Report)

To receive verbal update from Ernst and Young.

14. Audit & Governance Committee Work Programme (Pages 145 - 146)

Audit and Governance Committee to note and comment on the work programme.

Councillors declaring interests

General duty

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

What is a disclosable pecuniary interest?

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

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

Declaring an interest

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

Members' Code of Conduct and public perception

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

Members Code – Other registrable interests

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

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

Other registrable interests include:

- a) Any unpaid directorships

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

Members Code – Non-registrable interests

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

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

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

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

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

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