



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

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

**Wednesday, 25 July 2018 at 1.30 pm**

**Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND**

Peter G. Clark  
Chief Executive

July 2018

*Committee Officers: Colm Ó Caomhánaigh, Tel 07393 001096; E-mail:  
colm.ocaomhanaigh@oxfordshire.gov.uk*

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**Membership**

Chairman – Councillor Nick Carter  
Deputy Chairman - Councillor Tony Ilott

*Councillors*

Paul Buckley  
Ian Corkin  
Helen Evans

Charles Mathew  
D. McIlveen  
Les Sibley

Roz Smith

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*Co-optee*

Dr Geoff Jones

**Notes:**

- ***There will be a pre-meeting briefing at County Hall on 20 July 2018 at 09.30 in the Members' Boardroom for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 6 September 2018***

## 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 contact Glenn Watson on **07776 997946** or [glenn.watson@oxfordshire.gov.uk](mailto:glenn.watson@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. **Election of Chairman for the Council Year 2018/19**
2. **Election of Deputy Chairman for the Council Year 2018/19**
3. **Apologies for Absence and Temporary Appointments**
4. **Declaration of Interests - see guidance note**
5. **Minutes (Pages 1 - 8)**

To approve the minutes of the meeting held on 25 April 2018 and to receive information arising from them.

6. **Petitions and Public Address**
7. **Statement of Accounts 2017/18 (Pages 9 - 242)**

1.40pm

Report by the Director of Finance

The Accounts and Audit Regulations 2015 require the Director of Finance to publish the unaudited Statement of Accounts 2017/18 no later than 31 May 2018 and certify that they give a true and fair view of the County Council's financial position and income and expenditure for the year. This was achieved on 31 May 2018 and the unaudited accounts were published on the Council's website for public inspection. The Regulations require the Statement of Accounts to be considered by a committee of the Council by 31 July 2018 and, following that consideration, to be approved by resolution of that committee. This report presents the accounts to the Audit & Governance Committee for consideration and approval, with the findings of the audit available in Ernst & Young LLP's audit results reports.

The Committee is RECOMMENDED to:

- (a) Consider and approve the Statement of Accounts 2017/18 at Annex 1;
- (b) Note the Summary Accounts 2017/18 at Annex 2;
- (c) Agree that no changes are required to the Annual Governance Statement, previously approved by the Committee on 25 April 2018;
- (d) Consider and approve the Letter of Representations 2017/18 for the Oxfordshire County Council accounts at Annex 3;
- (e) Consider and approve the Letter of Representations 2017/18 for the

Oxfordshire Pension Fund accounts at Annex 4;

- (f) Agree that the Director of Finance, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2017/18 and / or letters of representation that may arise during completion of the audit.

## 8. Ernst & Young - Final Accounts Audit (Pages 243 - 322)

2.10pm

A representative from the external auditors Ernst & Young, will attend to present the following item:

## 9. Treasury Management Outturn 2017/18 (Pages 323 - 340)

2.40pm

Report by the Director of Finance

The report sets out the Treasury Management activity undertaken in the financial year 2017/18 in compliance with the CIPFA Code of Practice. The report includes Debt and Investment activity, Prudential Indicator Outturn, Investment Strategy, and interest receivable and payable for the financial year.

***The Committee is RECOMMENDED to note the report, and to RECOMMEND Council to note the Council's Treasury Management Activity in 2017/18.***

## 10. Internal Audit Charter (Pages 341 - 360)

3.00pm

Report by the Director of Finance

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2018/19. These are subject to annual review. The report also provides an update on the implementation of recommendations from the External Assessment of Internal Audit against the Public Sector Internal Audit Standards.

***The Committee is RECOMMENDED to:***

- (a) ***approve the Internal Audit Charter;***
- (b) ***note the Quality Assurance and Improvement Programme; and***
- (c) ***note that the recommendations from the External Assessment have been fully implemented.***

## 11. Counter-fraud Plan 2018/19 (Pages 361 - 366)

3.10pm

Report by the by the Director of Finance

This report presents the Counter Fraud Strategy and Plan for 2018/19.

***The Committee is RECOMMENDED to comment and note the Counter Fraud Strategy and Plan for 2018/19.***

## 12. Joint Working Arrangements with Cherwell DC: Managing Conflicts of Interest (Pages 367 - 378)

3.30pm

Report by the Director of Law & Governance

Cabinet agreed on 4 June 2018 to approve, in principle, a joint working arrangement with Cherwell District Council. These arrangements are to be governed by a formal "s113 Agreement" which is currently being finalised. The decision to enter into joint working arrangements, and an s113 Agreement, was also endorsed by Cherwell District Council at its meeting on 16 July.

It is intended by both authorities that the governance arrangements will include the appointment of a joint Chief Executive and statutory Head of Paid Service (agreed by this Council on 10 July and Cherwell on 16 July), together with arrangements for a partnership working group, joint committees and a process for managing potential conflicts of interest.

This report seeks the Committee's comments on the last of these issues – the process for managing conflicts of interest. A report on the other governance aspects will then be brought to the Committee for comment once these have been worked up in more indicative detail.

The report therefore sets out the proposed governance arrangements for managing conflicts of interest under joint working arrangements.

***The Committee is RECOMMENDED:***

- (a) To note and endorse the potential adoption of a conflicts of interests protocol and ethical walls policy;***
- (b) To regularly monitor the operation of the protocols and policy; and***
- (c) To delegate authority to the Monitoring Officer to make any further minor adjustments to these documents and make the necessary changes to the Council's Constitution.***

### 13. County Returning Officer Appointment (Pages 379 - 382)

4.00 pm

Report by the Director of Law & Governance

On 10 July 2018, Full Council agreed to appoint Yvonne Rees as Joint Chief Executive and Head of Paid Service of Oxfordshire County Council. This arose from the decision by Cabinet to enter into partnership arrangements with Cherwell District Council. It was agreed by Council that the appointment should commence on 1 October 2018 and it was also decided that the employment of the current Chief Executive and Head of Paid Service, Peter Clark, should cease on 30 September.

Peter Clark had been appointed to the statutory role of County Returning Officer in 2015 by this Committee. Under the Council's Constitution, this Committee has the delegated decision making to appoint the County Returning Officer.

As a consequence of the decision to appoint Yvonne Rees and to terminate the employment of Peter Clark, the Audit & Governance Committee, under its delegated powers, must make an appointment to the statutory role of County Returning Officer so that there is no discontinuity after 30 September.

The Council is required to appoint a County Returning Officer under Section 35(1) of the Representation of the People Act 1983. The Returning Officer is responsible for the arrangement of elections to the County Council. This report therefore asks the Committee to make an appointment to this role, with effect from 1 October 2018.

This report proposes that Yvonne Rees be appointed County Returning Officer given her significant experience as a Returning Officer and Electoral Registration Officer with her current and previous authorities.

***The Committee is RECOMMENDED to appoint Yvonne Rees, in her capacity as Joint Chief Executive and Head of Paid Service, to the role of County Returning Officer as from 1 October 2018.***

### 14. Safer Recruitment Audit (Pages 383 - 386)

4.15pm

Report by the Director of Human Resources

This report provides an update on the findings of the Review of the DBS\* data held against employee records on SAP; the root causes of the omissions and errors; the actions being put in place to correct the data on SAP; and the controls being put in place to monitor DBS compliance and data quality going forward.

\*DBS – Disclosure and Barring Service

***The Committee is RECOMMENDED to support the actions being taken to resolve the discrepancies in our recording system and the actions being taken to ensure rechecks are consistently carried out every three years.***

**15. Update on Carillion Recovery Plan (Pages 387 - 392)**

4.30pm

Report by the Director, Capital, Investment & Delivery

Report updating on the ongoing work being undertaken.

***The Committee is recommended to:***

- (a) consider and comment on progress in implementation of the Recovery Plan;***
- (b) note that there are likely to be substantial rectification costs relating to a range of legacy issues, which will be more fully quantified following completion of the assessments and audits now underway;***
- (c) note that these costs will be considered within the council's annual budget cycle and processes for 2019/2020.***

**16. Audit Working Group Report (Pages 393 - 394)**

5.00pm

This report presents the matters considered by the Audit Working Group Meeting of 27 June 2018.

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

**17. Committee Work Programme (Pages 395 - 396)**

5.10pm

To review the Committee's Work Programme.

**Close of meeting**

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

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