



To: Members of the Audit & Governance Committee

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

**Wednesday, 6 March 2019 at 1.30 pm**

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

A handwritten signature in blue ink, appearing to read 'Yvonne Rees'.

Yvonne Rees  
Chief Executive

February 2019

*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  
Jeannette Matelot  
Charles Mathew

D. McIlveen  
Glynis Phillips  
Les Sibley

Roz Smith

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*Co-optee*

Dr Geoff Jones

**Notes:**

- ***There will be a pre-meeting briefing in the Members' Boardroom at County Hall on Friday 1 March 2019 at 9.30am for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 8 May 2019***

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

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

## 3. **Minutes** (Pages 1 - 6)

To approve the minutes of the meeting held on 9 January 2019 and to receive information arising from them.

## 4. **Petitions and Public Address**

## 5. **Governance of the Housing and Growth Deal**

1.40

Presentation by Susan Halliwell, Director for Planning and Place.

## 6. **Update on Carillion Recovery Plan** (To Follow)

2.20

Report by the Director: Property, Assets & Investments.

An update on developments since the last report in November 2018.

## 7. **External Auditors** (Pages 7 - 14)

2.50

Representatives from the external auditors Ernst & Young will attend to present the following item:

- Audit Progress Report

## 8. **Scale of Election Fees and Expenditure 2019/20** (Pages 15 - 24)

3.10

Report from the Director of Law and Governance and Monitoring Officer.

Each year the Council needs to set a scale of election fees and expenditure for the

holding of elections of county councillors. This Committee is responsible for approving the “scale of fees”, which is considered last in March 2018, approving the scale of fees which would apply in 2018/19.

In accordance with the Council’s practice, a review has been undertaken in consultation with the City and District Councils of Oxfordshire, who assist in the running of County Council elections and by-elections. The Districts are generally mindful of the County Council’s scale of fees, when setting their own fees for local elections. Therefore, the Scale of Fees aim to provide a framework, and to steer an even course between the individual requirements of all the districts within the County.

The proposed scale of fees and expenditure is included as an Annex to this report. The Committee is requested to approve the proposed Scale of Fees to apply from the start of the financial year 2019/20.

**The Committee is RECOMMENDED to approve the Scale of Expenditure for the financial year 2019/2020, as shown in Annex A to this report, for the election of County Councillors and any other local referendums.**

**9. Update on actions - Annual Governance Statement 2018/19 (Pages 25 - 38)**

3.30

Report by the Director of Law & Governance and Monitoring Officer

Each year the Council must approve an Annual Governance Statement and this Committee is instrumental in this. The Statement provides a description of the effectiveness of the Council’s governance framework and an Opinion as to its sufficiency. It also normally includes a set of governance actions that will form a priority for the year ahead.

In last year’s Annual Governance Statement, several actions were listed as priorities for 2018/19 and the Committee asked for a separate update on the outcomes from these actions before the Committee then goes on to consider, in April, the Annual Governance Statement for the forthcoming year. As such, this report will include a brief update on the actions taken under each priority heading ahead of a final position being given in the Annual Governance Statement that the Committee will consider in May this year.

**The Committee is RECOMMENDED to consider and note the outcomes so far on the governance actions agreed in last year’s Annual Governance Statement.**

**10. Review of effectiveness of Internal Audit (Pages 39 - 46)**

3.50

Report by the Monitoring Officer.

Each year the Monitoring Officer undertakes a survey of senior managers about the

effectiveness of Internal Audit at Oxfordshire County Council. There is no longer a statutory requirement for a formal annual review of the effectiveness of Internal Audit, however this Committee last year agreed that the Monitoring Officer should continue to undertake this survey and report its outcomes to the Committee. This report summarises the responses to the survey. In short, the survey of the extended County Council Management Team continues to reveal a positive picture of the effectiveness of Internal Audit during the year 2017/18.

**The Committee is RECOMMENDED to note and comment upon the report.**

## **11. Review of Local Government Ethical Standards: Overview of the Report Issued on 30 January 2019 (Pages 47 - 60)**

4.10

Report by Director for Law & Governance

The Committee on Standards in Public Life undertook a review of Local Government Ethical Standards and it consulted with stakeholders. The Consultation opened on 29 January 2018 and closed on 18 May 2018. The Consultation asked a number of questions in relation to Ethical Governance and anyone with an interest was asked to make a submission. The Council responded to the Consultation with the submissions attached at Annex 1. On 30 January 2019, The Committee on Standards in Public Life issued their Report on Ethical Standards, taking account of submissions, and making recommendations for statutory change and the promotion of best practice. This Report sets out some of the main points that the Report on Ethical Standards raised.

**The Committee is RECOMMENDED to:**

- a) **note this Report and the conclusions raised by The Committee on Standards in Public Life's report "A Review of Local Government Ethical Standards"; and**
- b) **ask the Monitoring Officer to discuss the Review's recommendations with the Oxfordshire Monitoring Officers' Group and report back to a further meeting of this Committee on actions that Oxfordshire's Councils can take jointly, and that this Council can individually, to create an improved ethical standards framework.**

## **12. Audit Working Group Report (Pages 61 - 64)**

4.30

Report from the Director for Finance.

This report presents the matters considered by the Audit Working Group Meeting of 6 February 2019.

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

**13. Transformation Sub-Committee Report (Pages 65 - 68)**

4.40

Report from the Deputy Chairman of the Transformation Sub-Committee.

A brief summary of the first meeting of the Sub-Committee.

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

**14. Work Programme (Pages 69 - 70)**

4.50

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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## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 9 January 2019 commencing at 2.00 pm and finishing at 4.50 pm

**Present:**

**Voting Members:** Councillor Nick Carter – in the Chair  
Councillor Tony Ilott (Deputy Chairman)  
Councillor Paul Buckley  
Councillor Charles Mathew  
Councillor D. McIlveen  
Councillor Glynis Phillips  
Councillor Les Sibley  
Councillor Roz Smith  
Councillor Mike Fox-Davies (In place of Councillor Jeannette Matelot)

**Non-Voting Members in Attendance:** Dr Geoff Jones

**By Invitation:** Paul King and David Guest, Ernst & Young

**Officers:**

Whole of meeting Lorna Baxter, Director for Finance; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Colm Ó Caomhanaigh, Committee Officer

Part of meeting

<b>Agenda Item</b>	<b>Officer Attending</b>
7	Nick Graham, Strategic Director for Resources; Caroline Parker, ICT Information Services Manager. Fiona Percival, County HR Manager Kate Terroni, Director for Adult Services; Benedict Leigh Deputy Director.
8	Tim Chapple, Financial Manager (Treasury)

*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 and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and additional documents, copies of which are attached to the signed Minutes.*

## **1/19 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**

(Agenda No. 1)

Apologies were received from Councillor Jeannette Matelot (Councillor Mike Fox-Davies substituting).

## **2/19 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE**

(Agenda No. 2)

There were no declarations of interest.

## **3/19 MINUTES**

(Agenda No. 3)

The minutes of the meeting on 14 November 2018 were approved and signed.

On item 17/18, the final bullet point, the Chairman asked for a briefing for Members on how they could help to deal with any unreasonable expectations around what the Council can do in the Carillion recovery plan.

The following were also noted:

- The situation for local schools following the collapse of Carillion has not been discussed yet at the Oxford locality meetings.
- The estimated figures for the amounts owed to and from Carillion are not available yet so that item has been deferred to the March meeting.
- The first meeting of the Transformation Joint Subcommittee will be on Thursday 17 January 2019.

## **4/19 PETITIONS AND PUBLIC ADDRESS**

(Agenda No. 4)

Julie Spragg, representing Fossil-Free Oxfordshire, spoke on Agenda Item 6 External Auditors – Oxfordshire Pension Fund Audit Planning Report. The group asked if it was appropriate to use an exemption from normal procurement rules in order to renew for a second time the contract for independent financial advice.

They asked the Committee to take into account the recent report from the Intergovernmental Panel on Climate Change and the motion passed by the County Council in March 2018 for the Pension Committee to incorporate the latest and best advice available on environmental, social and governance (ESG) issues when reviewing its policies.

Lorna Baxter responded that it was decided that it would not be cost-effective to undergo a procurement process while assets are being transferred to the Brunel Pension Partnership over a two-year period.

Julie Spragg stated that the group was aware of that argument but noted that there had been no procurement process for the contract now for 12 years.



## **5/19 FINANCIAL MANAGEMENT ACTION PLAN UPDATE**

(Agenda No. 5)

Ian Dyson introduced the report which updated the Committee on seven areas of activity that are to be achieved by the end of March.

Officers responded to issues raised by Members as follows:

- Training is mandatory for cost-centre managers. Further training is being proposed and it will be advocated that this should also be mandatory.
- The improvements are really in back-office systems but everyone, including residents, will see a better service as a result.
- The savings from the transformation programme will be detailed in the January report to Cabinet. A project management approach is being taken and benefits will be tracked.
- The action plan is being monitored through monthly reports, performance reporting and audit reports.

**RESOLVED: to note the report.**

## **6/19 EXTERNAL AUDITORS**

(Agenda No. 6)

Paul King introduced the two reports and asked the Committee to note the risks listed on Agenda Pages 12 to 14. These identify issues that may arise but it does not mean that they will happen. The Auditors are required to give an opinion on how these are reflected in the accounts.

Paul King and David Guest responded to questions from Members as follows:

- The auditors will look at the evidence on the Carillion issue and will come to a view on the probability. The issue is likely to go on for some time.
- The Council can ask for a lower level at which audit differences are reported. All differences are recorded. Items like exit packages will always be scrutinized whatever the level.
- With regard to the pension fund and the points made by Fossil-Free Oxfordshire, the auditors give an opinion on the accounts and look at the Council's arrangements as a whole. They do not see any significant risk in this context.
- All fees have to be agreed with the PSAA (Public Sector Audit Appointments).

Members also asked about Council planning in relation to Brexit. Ian Dyson stated that the Political Group Leaders are getting regular reports. The Council is monitoring information from external advisors, national government, the Local Government Association and the County Council Network. The Local Resilience Forum is studying workforce, supply chain and cohesion issues, working with the NHS and major providers. Generally, Oxfordshire is regarded as being low risk and low impact.

Paul King also updated the Committee on the objection lodged in respect to LOBO loans and confirmed that the auditors will not be upholding the objection.

**RESOLVED: to note the reports.**

## 7/19 INTERNAL AUDIT PLAN PROGRESS REPORT

(Agenda No. 7)

Sarah Cox introduced the report. She stated that the efforts to appoint a new Senior Auditor have so far been unsuccessful and they are making interim plans with support from HR.

The Chairman invited senior officers to update the Committee on actions to deal with the red and orange ratings noted in Appendix 2 of the report.

Nick Graham and Caroline Parker responded to Members questions on GDPR:

- Actions are about three-quarters complete to ensure that, among other things, all training is carried out and that data retention schedules are used.
- The team can ensure that the privacy notices that they know about are updated and chase others they do not know about.
- Updating the information asset register will take about three months.

Nick Graham and Fiona Percival responded to issues on Health and Safety:

- It has been made clear now that training is mandatory – there was a lack of clarity before.
- All managers must complete a one-day course and other staff must complete an e-learning course.
- Records are now complete to show who should be paid the extra supplement for completing first aid training.
- A strong message has been sent to schools regarding the importance of timely reporting of safety incidents.
- It is one of the actions to ensure that managers cascade information.
- All actions are on target for completion by 31 March. None of the outstanding actions are Priority 1.

Kate Terroni and Benedict Leigh responded to Members' questions on Contingency Home Care (CHC):

- Improvements have been made in reporting, now with KPIs and a dashboard for the service. Data can be obtained now within a couple of hours.
- This type of care is more expensive because the cases are more scattered, leading to more travel. Also because the staff involved need to be more flexible – available at short notice.
- It is a particular challenge sourcing care for those with mental health needs.
- Regarding financial assessments, officers are as sure as they can be that the right people are being charged.
- The possibility of dealing with home care in-house is being examined and they are close to reaching a view. A report to Cabinet is expected in March.

The Chairman asked the Internal Auditor to note that the Committee is particularly concerned about the delay in finding a solution to the Back-up and Recovery issue in IT. Sarah Cox stated that one option being investigated did not work out. The problem is that the speed of back-up and recovery is not what it should be.

On the Security Bonds Reconciliation issue Ian Dyson reported that the first stage is complete but the second stage still needs to be signed off. Due process is being followed and he expects an update next week to say that this is concluded.

**RESOLVED: to note the progress with the 18/19 Internal Audit Plan and the outcome of the completed audits.**

## **8/19 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2019/20**

(Agenda No. 8)

Tim Chapple introduced the report and drew Members' attention in particular to the increase the exposure to external funds from £58m to £100m. Also, a one-off gain of £2.9m will be realised by switching a strategic bond fund from an accumulating fund to an income producing fund.

Tim Chapple and Lorna Baxter responded to points raised by Members as follows:

- The borrowing for OxLEP has been in the plan since 2016/17 but is only happening now.
- Business rates in Enterprise Zones are ring-fenced income linked to the Local Enterprise Partnership so there is no impact on other funding.
- Any decisions on early repayment of LOBO loans would be made by the Treasury Management team in consultation with the Cabinet Member for Finance.
- The extra £100m to be spent on Highways is in the Capital Programme. This might involve some internal borrowing.

**RESOLVED: to endorse the Treasury Management Strategy for 2019/20 as outlined in the report.**

## **9/19 WORK PROGRAMME**

(Agenda No. 9)

It was agreed to move the following items from the March meeting to May 2019 meeting:

- Highways Update
- Information Governance
- Oxford Direct Services
- Audit & Governance Committee Annual Report to Council 2018

It was also agreed to start the meeting on 6 March 2019 at the earlier time of 1.30pm.

Members requested an update on the implications for Oxfordshire of the latest situation on Brexit to be circulated to all members of the Council.

An update for Members of the Committee was also requested in relation to a matter that came before the Committee in the past regarding an OCC property lease agreement that had not been renewed and for which the Council was behind in collecting rent.

..... in the Chair

Date of signing .....

## Audit Progress Report

Oxfordshire County Council

February 2019

Ernst & Young LLP



Building a better  
working world

Members of the Audit and Governance Committee  
Oxfordshire County Council  
County Hall  
New Road  
Oxford  
OX1 1ND

25 February 2019

Dear Members,

## **Audit Progress Report 2018/19**

We are pleased to attach our Audit Progress Report.

The report sets out the work we have completed since our last report to the Audit and Governance Committee. Its purpose is to provide the Committee with an overview of the stage we have reached in your 2018/19 audit and to ensure our audit is aligned with Committee expectations.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as to understand whether there are other matters which you consider may influence our audit at this point.

Yours faithfully

Paul King  
Associate Partner  
For and behalf of Ernst & Young LLP  
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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2018-19’. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2018’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This progress update is prepared in the context of the Statement of responsibilities. It is addressed to the Audit and Governance Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

## 1. Planned work

### Planning

We presented our 2018/19 Audit Plan to the Audit and Governance Committee meeting on 9 January 2019. This plan is kept under review and we will inform you of any changes to our risk assessments and planned work. There are no changes to report at this meeting.

### Financial Statements

We adopt a risk-based approach to the audit and, as part of our ongoing continuous planning we continue to meet key officers regularly to ensure the 2018/19 audit runs as smoothly as possible and to identify any risks at the earliest opportunity. This includes meetings with staff from the Council to discuss issues arising from the 2017/18 audit and to examine ways to enhance the audit process for the 2018/19 financial statements, in particular to carry out early substantive testing as set out below.

#### Interim visit

##### Systems

We have identified the Council's material income and expenditure systems and are currently in the process of walking through these systems.

##### Early Substantive Testing

We scheduled an interim visit in March 2019 to carry out early substantive testing covering the first nine months of the year. Our main areas of focus are:

- ▶ income and expenditure testing;
- ▶ Property, Plant and Equipment (PPE) additions, disposals, existence and valuations testing;
- ▶ review of significant contracts;
- ▶ accounting policies;
- ▶ exit packages; and
- ▶ testing of starters and leavers.

Where we have completed testing to month nine, we will perform top up testing in these areas at year end. Carrying out this early substantive testing will reduce the time required to complete the audit at the post statements stage.

Our early substantive testing is ongoing but has not identified any issues we wish to bring to your attention.



## Value for money

The Comptroller and Auditor General (C&AG) issued Auditor Guidance Note 3 (AGN 03) – Auditors’ work on VFM arrangements. We are required to consider whether the Council has put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness in the use of resources.

For 2018/19 this is based on the overall evaluation criterion:

*“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”*

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

Our work on the value for money conclusion is ongoing.

## Other Issues of Interest

If members of the Audit and Governance Committee have any particular issues they want to discuss with us we would be pleased to do so.

## 2. Timetable

### Audit and Governance Committee Timeline

We have set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we have agreed to provide to you through the 2018/19 Audit and Governance Committee cycle.

We will report to the Audit and Governance Committee throughout the audit as outlined below. This report summarises the progress made at this point. From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit and Governance Committee Chairman as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter in order to communicate to the Council and its external stakeholders, including members of the public, the key issues arising from our work.

<b>Audit phase</b>	<b>Timetable</b>	<b>Audit and Governance Committee timetable</b>	<b>Deliverables</b>
High level planning, risk assessment and setting of scopes	November 2018- January 2019	January 2019	Audit Plan
Testing routine processes and controls and early substantive testing	December 2017 – March 2019	March 2019	Audit Progress Report
Year-end audit	June – July 2019		
Completion of audit	July 2019	July 2019	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements; and our value for money conclusion). Reporting to the NAO on the Whole of Government Accounts return. Audit completion certificate
Conclusion of reporting	July- August 2019	October 2019	Annual Audit Letter

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Division(s):

## **AUDIT AND GOVERNANCE COMMITTEE – 6 MARCH 2019**

### **Scale of Election Fees and Expenditure 2019/20**

**Report by Director of Law & Governance and Monitoring Officer**

#### **RECOMMENDATION**

1. **The Committee is RECOMMENDED to approve the Scale of Expenditure for the financial year 2019/2020, as shown in Annex A to this report, for the election of County Councillors and any other local referendums.**

#### **Introduction**

2. Each year the Council needs to set a scale of election fees and expenditure for the holding of elections of county councillors. This Committee is responsible for approving the “scale of fees”, which is considered last in March 2018, approving the scale of fees which would apply in 2018/19.
3. In accordance with the Council’s practice, a review has been undertaken in consultation with the City and District Councils of Oxfordshire, who assist in the running of County Council elections and by-elections. The Districts are generally mindful of the County Council’s scale of fees, when setting their own fees for local elections. Therefore, the Scale of Fees aim to provide a framework, and to steer an even course between the individual requirements of all the districts within the County.
4. The proposed scale of fees and expenditure is included as an Annex to this report. The Committee is requested to approve the proposed Scale of Fees to apply from the start of the financial year 2019/20.

#### **Purpose of the Scale of Fees**

5. The purpose of the scale of fees and expenditure 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. The current year’s scale of fees for example was used by the County Council in its commissioning of Oxford City, South Oxfordshire and the Vale of White Horse District Councils for the three recent county by-elections (Iffley Fields, Wheatley and Grove & Wantage).

#### **Levels for 2019-20**

6. Most of the fees remain unchanged. However, in order to ensure sufficient interest in the staffing of elections generally, fees payable for individual electoral positions have been increased in line with the annual local government pay award for staff, rounded to the nearest pound.

7. In summary, it is therefore suggested that for Uncontested elections:
- The Returning Officer fee for a 1-member division increases from £43.95 to £45.00 and for a 2-member division from £87.90 to £89.00;
  - The Deputy Returning Officer's fee for a 1-member division increases from £29.15 to £30.00 and for a 2-member division from £58.30 to £59.00.

NB In practice, it is unlikely that elections will ever be uncontested within the county council divisions.

8. In respect of Contested elections:
- The Returning Officer fee for a 1-member division would increase from £91.30 to £93.00 and for a 2-member division from £182.60 to £186.00;
  - The Deputy Returning Officer's fee for a 1-member division from £86.90 to £89.00 and for a 2-member division from £173.80 to £177.00.
  - The Deputy Returning Officer's fee for the count and declaration of poll, for a 1-member division increases from £58.30 to £59.00 and for a 2-member division from £116.60 to £119.00.
  - The Presiding Officer fee rises from £200.00 to £204.00 and in the case of a combined poll to £230.00;
  - The Poll Clerk fee rises from £145.00 to £148.00 and for combined polls to £158.00;
  - The employment of Clerical Persons increases from £108.50 for a 1-member division to £110.00, and in the case of 2-member divisions a rise to £221.00;
  - The preparation and issue of poll cards and postal votes, and supervision therefore increases from £18.45 to £19.00 for a single member division, to a maximum of £38.00 for a 2-member division.
9. Where the increase of an individual fee has resulted in an increase which is so small that it would be lost in the rounding process (paragraphs 14, 15 and 20) these fees remain unchanged and will be reviewed ahead of the next scheduled County Council Elections in 2021.
10. The City and District Councils have confirmed that the proposed scale of fees is acceptable to them for the running of elections on the County Council's behalf, are consistent with their recent experience and should therefore provide a robust and cost-effective means of delivering any elections that may occur in the year from April 2019 to end of March 2020.

### **Financial Implications**

11. A separate budget is maintained for electoral expenditure, which is built up over time towards the County Council elections, next due to be held in 2021. This also incorporates an element towards by-election costs which may also occur in the 2019-20 year.

Nick Graham  
Director of Law & Governance and Monitoring Officer

Background papers: Nil

Contact Officer: Andrea Newman,  
Senior Democracy Officer

Telephone: 01865 810283

February 2019

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## 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 2019 to 31 March 2020)

Only the fees and disbursements specified below shall be chargeable. The fees payable to the Returning Officer or his duly appointed Deputy Returning Officer shall include all payments which he makes from his fees to other persons by way of remuneration of services undertaken on his 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 other polls/elections/referendums.

### PART I - UNCONTESTED ELECTION

#### A – FEES

- |   |  |
|---|--|
| 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 <del>£43.95</del> <b>£44.60</b><br>2-member <del>£87.90</del> <b>£89.00</b> |
| 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 <del>£29.15</del> <b>£30.00</b><br>2-member <del>£58.30</del> <b>£60.00</b> |

#### B – DISBURSEMENTS

- |   |                                    |
|---|------------------------------------|
| 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 £18.40<br>2-member £36.80 |
| 4. For the employment of persons for clerical and other assistance. For each Electoral Division .....   | 1-member £21.50<br>2-member £43.00 |
| 5. Travelling expenses of the Returning Officer, Deputy Returning Officer and Assistants. Per mile.....   | £0.45                              |

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

## PART II - CONTESTED ELECTION

### A – FEES

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 <del>£91.30</del>  | <b>£93.00</b> |
|  | 2-member <del>£182.60</del> |               |
|  | <b>£185.00</b>              |               |
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 <del>£86.90</del>  | <b>£88.00</b> |
|  | 2-member <del>£173.80</del> |               |
|  | <b>£176.00</b>              |               |

(If a duly appointed Deputy Returning Officer also carries out the functions specified under Item 9 of this scale, 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 25(b) and 38 to 46 of the Local Elections (Principal Areas) Rules 1986 (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 <del>£58.30</del>  | <b>£59.00</b>  |
|  | 2-member <del>£116.60</del> | <b>£119.00</b> |

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

- 9A. For each Recount..... £14.00

### B – DISBURSEMENTS

10. Presiding Officer, a fee of..... ~~£200.00~~ **£204.00**  
or where a poll is combined with a district council or parish council poll, a fee of..... ~~£225.00~~ **£230.00**
11. Poll Clerk, a fee of..... ~~£145.00~~ **£148.00**  
or where a poll is combined with a district council or parish council poll, a fee of..... ~~£155.00~~ **£158.00**

(Presiding officers and poll clerks may not include any additional expenses i.e. electricity charges, other than travelling expenses specified in item 21 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
14.	Counting/Verification Supervisor: A fee of	
	(a) for the first hour.....	£16.00
	(b) for each half hour thereafter or part thereof.....	£8.00
	In respect of evening/overnight working	
	(c) for the first hour.....	£18.00
	(d) for each half hour thereafter or part thereof.....	£9.00
15.	Counting/Verification Assistant: A fee of	
	(a) for the first hour.....	£12.00
	(b) for each half hour thereafter or part thereof.....	£6.00
	In respect of evening/overnight working	
	(c) for the first hour.....	£14.00
	(d) for each half hour thereafter or part thereof.....	£7.00
16.	For the employment of persons for clerical and all other assistance other than where separate fees are provided. For each Electoral Division.....	1-member <del>£108.50</del> <b>£110.00</b> 2-member <del>£217.00</del> <b>£221.00</b>
17.	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 £18.45 2-member £36.90
18.	To an officer designated by the Returning Officer or his duly appointed Deputy, for inspection and supervision of polling stations. A fee of.....	£200.00
19.	For preparation of ballot boxes. For each polling station, a fee of.....	£5.00
20.	Supervisor for the issue and receipt of postal ballot papers. A fee of:	
	(a) for the first hour.....	£16.00
	(b) for each half hour thereafter or part thereof.....	£8.00

21. 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.....	£0.70 per postal vote
22. Hire of rooms in connection with the issue and receipt of postal ballot papers	Actual and necessary costs
23. 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
24. Hire of rooms for the preparation of ballot boxes .....	Actual and necessary cost
25. 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
and	
(b) in any other building.....	Actual and necessary cost
26. Heating and lighting (per polling station) ...	Actual and necessary cost
27. Conveyance of ballot boxes and voting screens.....	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
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

**NOTE:** At a combined election of County with District or Parish Councillors, wherever appropriate the costs are to be shared on an equal basis between the relevant Authorities, unless a particular expense can actually be allocated to a specific authority.

Nick Graham, Director of Law and Governance and Monitoring Officer

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Division(s):

## **AUDIT AND GOVERNANCE COMMITTEE – 6 MARCH 2019**

### **Update on actions - Annual Governance Statement 2018/19**

**Report by Director of Law & Governance and Monitoring Officer**

#### **RECOMMENDATION**

1. **The Committee is RECOMMENDED to consider and note the outcomes so far on the governance actions agreed in last year's Annual Governance Statement.**

#### **Introduction**

2. Each year the Council must approve an Annual Governance Statement. This Committee is instrumental in this and will be invited to approve a new Statement in May 2019. The Statement provides a description of the effectiveness of the Council's governance framework and an Opinion as to its sufficiency. It also normally includes a set of governance actions that will form a priority for the year ahead.
3. In last year's Annual Governance Statement, several governance actions were listed as priorities for 2018/19 and the Committee asked for a separate update on the outcomes from these actions before the Committee then goes on to consider, in the Annual Governance Statement for the forthcoming year. As such, this report includes a brief update on the actions taken under each priority heading ahead of the final position statement being given in the Annual Governance Statement in May.

#### **The actions for 2018/18**

4. In forming each year's Annual Governance Statement, the Council's Corporate Governance Assurance Group of senior governance officers, this Committee's Audit Working Group and finally this Committee itself, agree a set of priority governance actions that will be a particular focus for the year ahead. These are included as an integral part of the Annual Governance Statement. This means that each year's Statement 'looks two ways': an update is given on the actions for the previous year and a fresh set of actions is identified for the year ahead.
5. In last year's Statement the actions for the 2018/19 year related to:
  - Carrying out governance actions from an internal audit of Mental Health services
  - Implementation of the General Data Protection Regulations
  - Implementing the governance framework for the programme now known as the Council's Transformation Programme

- Providing a more robust governance structure to the Council's corporate security arrangements
  - Delivering a refresh of the Council's financial management assurance framework
  - Delivering a property compliance project to review and prioritise necessary actions
  - Providing a means of co-ordinating the 'governance outcomes' of External Assessments to ensure these are delivered
  - Developing a refreshed procurement strategy and policy.
6. Annex 1 to this report summarises the outcomes to date. A final position statement will be incorporated within the next Annual Governance Statement, which will also be reviewed by the Corporate Governance Assurance Group and the Audit Working Group.
7. Last year, the Committee asked to receive and update on the outcomes for each action. The Committee is therefore invited to consider and note the outcomes to date. For this Committee of course, the focus is on the governance issue(s) raised by each action and not the subject matter of the service concerned.

## **Legal and Financial Implications**

8. This recommendation in this report does not raise any legal or financial implications.

Nick Graham  
Director of Law & Governance and Monitoring Officer

Background papers: Nil

Contact Officer: Glenn Watson  
Principal Governance Officer

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March 2019



Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
<p><b>Mental Health:</b></p> <p>Carry out the remaining governance actions identified in the follow-up audit (March 2018)</p>	<p>March 2019</p>	<p>Deputy Director, Adult Social Care</p>	<p><b>Update/Outcome:</b></p> <p>Actions to improve the delivery of services to people who require support from a mental health perspective are ongoing, having made considerable progress. The difficulties identified in the shared delivery of services, and in the commissioning, quality and purchasing processes identified by the audit in 2016/2017 are being addressed as required through the Action Plan. Seven agreed management actions are fully implemented, the remaining five are on target for implementation by the end of April 2019.</p> <p>The mental health service is delivered through a section 75 partnership agreement with Oxford Health NHS Foundation Trust, with some shared commissioning and transactional work delivered from finance and commissioning teams within the County Council. In 2017, officers carried out a strategic review of the Section 75 arrangements to consider how service users' needs are best met and to ensure that our statutory duties are being delivered.</p> <p>Following the review, a decision was taken to move staff in the older adults' mental health service back into the County Council where they are now currently working as a separate team. This arrangement enables a single point of access for social care mental health ensuring social care is delivered for the whole population to a single set of standards, processes and procedures in line with the social work provision in the locality teams. The adults of working age mental health service is still provided by Oxford Health and will be governed by a variation to the section 75</p>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
			agreement. A draft of that agreement has been produced but is not yet finalised as it is affected by the proposed changes to mental health budgets. The Council and Oxford Health are working closely together to determine the future of Working Age Adults’ service.
<p><b>General Data Protection Regulations:</b></p> <p>Action plan for ensuring compliance with the incoming GDPRs – including policy review, organisational awareness.</p> <p>Action plan for reviewing and monitoring ongoing compliance</p>	<p>May 2018</p> <p>March 2019</p>	<p>Director for Law and Governance</p>	<p>Work started in 2017 to prepare for GDPR implementation, researching as much as we could by attending conferences, webinars, talking to other local authorities and keeping up to date with news from the Information Commissioners Office. The information gathered along with the ICO guidance - “Preparing for the General Data Protection Regulations (GDPR) 12 steps to take now” – was used to create the implementation plan.</p> <ul style="list-style-type: none"> <li>• The main actions to ensure compliance were:</li> <li>• All relevant policies were revised</li> <li>• All Information Asset Registers were updated</li> <li>• A new privacy notice was created</li> <li>• A process for handling individual rights requests was created</li> <li>• The information security investigation process was revised,</li> <li>• A template was created for Data Privacy Impact Assessments (DPIA’s)</li> <li>• The Information Management Risk Assessment (IMRA’s) template was updated</li> <li>• Guidance created for privacy by design</li> <li>• Coordination of contacting of all providers and suppliers to ensure their GDPR compliance</li> <li>• All consent guidance was revised and updated</li> </ul>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
			<ul style="list-style-type: none"> <li>• The data protection e-learning was re-written</li> <li>• A GDPR toolkit was created for the intranet</li> <li>• 60 individual team briefings were done</li> <li>• 8 site surgeries were held</li> <li>• 8 briefings of providers were held</li> <li>• 4 briefings to schools</li> <li>• 4 briefings to transport providers</li> <li>• 2 stakeholder workshops to senior managers</li> <li>• Monthly intranet headlines, regular Yammer posts</li> </ul> <p>Work did not stop on 25 May; the new regulations have increased staff awareness of data protection which has resulted in an increase in risk assessments and staff queries. Other changes such as the reporting period for information security breaches being reduced to 72 hours and the delivery period for subject access requests being reduced from 40 days to 30 days has placed a greater pressure on resource to deliver to the new deadlines. However, the increased awareness is positive for the council as it helps to ensure that we are complying with the requirements of the GDPR.</p>
<p><b>Fit for the Future Programme</b></p> <p>Implementation of the <i>Fit for the Future Programme</i> under sound project</p>	<p>July 2018 – decision making on preferred</p>	<p>Assistant Chief Executive</p>	<p><b>Update/Outcome:</b></p> <p>Overall monitoring body is now CEDR (senior management meeting, ‘Chief Executive Direct Reports’).</p> <p>The governance of the Transformation Programme (no longer called Fit for the Future) is being brought in gradually. In terms of member governance, the Joint Audit &amp; Governance and</p>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
governance and to explore/feature governance as a key layer of the new Target Operating Model	target operating model  July 2018 – March 2019: implementation of the planned two-year delivery of the model		<p>Performance Scrutiny (Transformation) Sub-Committee has been established and met for the first time on 21/1/19. The Transformation Cabinet Advisory Group has been established and met for the first time on 18/12/18.</p> <p>The officer governance arrangements for the programme are being stood up gradually, as new projects are established. The Transformation Programme Board met for the first time on 24/1/19 in order to begin to co-ordinate the overall programme of work and in particular to fulfil two important standard programme functions – as the Design Authority (ensuring changes are in line with the business case and the design principles that were set) and as the Benefits Realisation Board (ensuring the improvements and savings are made / delivered). Further programme arrangements will be stood up when there is an identified need. Standard project and programme methodologies are being deployed, with the Programme Management Office ensuring consistency of practice and rigour.</p> <p>A separate Governance Review Task Group was established during Autumn 2018 and this member group reported its findings and recommendations into Cabinet in January 2019.</p>
<p><b>Corporate Security:</b></p> <p>Early appointment of a designated project lead to drive a</p>	May 2018	Director of Property and Investment &	<p><b>Update/Outcomes:</b></p> <p>Project in place led by Assistant Director (Facilities Management) to:</p> <ul style="list-style-type: none"> <li>Review the level of security requirements for each type of buildings we have i.e. corporate, children’s centres, adult</li> </ul>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
<p>planned series of activity to build and test the Council's corporate security.</p> <p>Delivery of the planned programme.</p>	<p>May 2018 – March 2019</p>	<p>Chief Fire Officer &amp; Director of Law and Governance</p>	<p>centres, museums, libraries, fire stations, depots etc.</p> <ul style="list-style-type: none"> <li>• Look into the different components linked to security for each type of building:                             <ul style="list-style-type: none"> <li>○ Infrastructure i.e. suitability of buildings to carry out current services, building layouts etc</li> <li>○ CCTV and surveillance</li> <li>○ Manned guarding</li> <li>○ IT systems to support requirements</li> <li>○ Staff training and awareness</li> </ul> </li> <li>• Review all incidents (reported into the system and not) relating to H&amp;S and security for the last 2-3 years so that we get an idea of type of issues/incidents we are dealing with</li> <li>• Link/align all of security requirements going forward with relevant OCC security policy, Emergency Planning, Business Continuity Plans, Communication Plans etc</li> <li>• Review and consolidate in one place the current different security provisions across OCC i.e. Facilities Management (FM) providing certain services to some buildings, Estates team carrying out keyholding, individual arrangements from historic key sites and request of manned guarding using their own budgets etc. In that way we can see the whole picture OCC wide and how we can bring everything together to be provided as a service from one focal point across all sites.</li> <li>• Procurement strategy in sourcing the best providers to fit security scope going forward</li> <li>• Explore any links with Health and Safety</li> </ul> <p>Started to explore each one of the points above within FM and will</p>

<b>Action</b>	<b>Timescale</b>	<b>Responsible Officer (at the time action created)</b>	<b>Update/Outcome</b>
			engage with all other stakeholders who need to be involved into this i.e. Fire, Museum/Libraries Services, Fire etc.
<p><b>Financial Management:</b></p> <p>Deliver a detailed refresh of the assurance framework to ensure its effectiveness; and to follow through the ‘case for change’ under the Fit for the Future Programme in respect of streamlining systems and processes.</p>	April 2018 – March 2019	Assistant Chief Finance Officer	<p>In July -October 2018, the CIPFA Financial Management Toolkit was used to undertake a self-assessment of Financial Management across the council. This confirmed that Financial Management was adequate but from the feedback from respondents there were a number of areas highlighted for improvement. An action plan is in place to deliver those improvements by the end of March 2019. The outcome of that work will be to strengthen the governance and framework that underpins Financial Management, and the principle of self service. A Finance Review project is underway as part of Transformation, and this is looking at the delivery of Finance Functions. The Financial Management Action Plan is kept under constant review as the Finance Review develops to ensure they are both consistent and will enable effective Financial Management going forward.</p> <p>Part of the Financial Management Action Plan is to review the Financial Management Assurance Framework. Again, this is being undertaken with consideration to the Finance Review.</p>
<b>Property:</b>			<b>Update/Outcome:</b>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
<p>Deliver property compliance project to review, monitor and prioritise via Key Performance Indicators. And, particularly in the post-Carillion environment, this will include:</p> <ul style="list-style-type: none"> <li>• a refresh, and strengthening, of systems for the assessment and tracking of health and safety risks across the Council’s property and within schools</li> <li>• a refreshed approach to the effective use and management of the Council’s properties</li> </ul>	<p>April 2018 – March 2019</p>	<p>Strategic Compliance Manager</p>	<p>Significant progress has been made in relation to achieving full statutory compliance across the corporate estate. Early last year audits to establish our compliance position post Carillion took place and identified substantial gaps (i.e. non-compliance). Compliance programmes were subsequently put in place to ensure full statutory compliance in these areas. A full set of compliance KPIs is in place covering all the main compliance areas.</p> <p>Much higher levels of statutory compliance have been achieved across the corporate estate, particularly in non-leased properties with some compliance areas at or close to 100% statutorily compliant. Several compliance programmes are still in place to bring the corporate estate up to full compliance (e.g. water hygiene risk assessments, electrical fixed wire safety, portable appliance testing and a Radon safety programme).</p> <p>In addition, work is also underway to ensure a robust management of an increasingly large number of remedial recommendations arising out of recent and historic risk assessments, safety certificates and surveys (all with target BAU dates between Jan and March 2019 to comply with end of April 2019 target date). A framework of remedial KPIs is being put in place to track progress in this area.</p> <p>Related activities have focused on the need to review governance, policy, procedure and process. For example site manuals/logs, processes, policy and systems relating to the management of significant compliance risk have been reviewed and updated. Both</p>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
			<p>a general compliance site manual and fire safety site manual are being introduced from February. We have also started looking at the organisational structure in relation to management of compliance to provide a more robust operating model that will deliver and sustain compliance moving forward along with a more vigorous performance reporting framework in key compliance areas.</p> <p>To ensure that the council can discharge its health &amp; safety responsibility in respect of property compliance there is also a need to re-establish capacity for effective monitoring and development of technical policy and practice across both the corporate and schools' estate. There is a proposal to re-establish the required resource within a newly formed Health &amp; Safety team within FM.</p> <p>Closer working with the Schools health and safety team in relation to property health and safety compliance within the school's estate is now embedded. However, for a longer-term solution it is proposed that this is re-established and located within the FM team.</p>
<p><b>External Reports</b></p> <p>Implement a robust and effective mechanism for the co-ordination and</p>	<p>December 2018</p>	<p>Assistant Chief Executive and Monitoring Officer</p>	<p><b>Update/Outcome:</b></p> <p>Mechanism in place whereby identified Law and Governance personnel are key and known contacts for co-ordinating and liaising with Directorates, keeping a log of planned and reactive external reports and the governance implications of them, for referral to the Corporate Governance Assurance Group of key</p>



Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
consideration of, and action plans for implementing, any governance issues arising from External Reports about the Council and its performance.			<p>statutory officers, in the first instance.</p> <p>This information then used to track actions and update this Committee and Audit Working Group as necessary.</p>
<p><b>Procurement:</b></p> <p>As part of the new Target Operating Model for the Council:</p> <p>develop/implement a refreshed Procurement Strategy and Policy</p> <p>develop and deploy the electronic Contract Management Systems (eCMS)</p> <p>refresh contract management skills</p>	<p>August 2018</p> <p>Jan 2019</p> <p>Aug – Dec</p>	<p>Head of Procurement and Commercial</p> <p>Head of Procurement and Commercial</p> <p>Fit for the</p>	<p><b>Update/Outcome:</b></p> <p><b>Procurement Strategy</b></p> <p>A draft procurement strategy was presented to CLT last July for review and approval by the then Interim Head of Procurement &amp; Commercial.</p> <p>CLT were not comfortable accepting this as it was aligned to assumptions relating to the design of the future Provisioning Cycle. The development of the strategy was decided to be run in parallel with workstream designing the new Provisioning Cycle and this was put on hold while the process to identify the new Head of Procurement and Contract Management was undertaken.</p> <p>The new head of function commences his role in March 2019 and the Provision Cycle design is due to commence in April 2019. The Procurement Strategy will be developed in parallel in the same time frame</p>

Action	Timescale	Responsible Officer (at the time action created)	Update/Outcome
within the new Model	2018	Future Transformation Leads for the Procurement and Head of Procurement and Commercial	<p><b>Electronic Contract Management System (ECMS)</b></p> <p>There have been a number of tactical initiatives undertaken in support of the recorded actions for ECMS. These initiatives broadly seek to make use of the ECMS tool easier and thereby increase the use and value that can be generated from it and the data it holds. There is an ongoing plan for further tactical changes to help ensure more contract data is loaded and to maximise the use of reports that already exist. .</p> <p>Major structural changes to ECMS have not been undertaken and are not considered necessary. However, to maximise the value of the tool and the return on investment already made, a communications plan linked to the implementation of the Provisioning Cycle component of the Council’s transformation plans will be needed. This plan will be shaped, aligned and prioritised to the emerging transformation timetable and the specific Contract Management activities that are to be included.</p> <p>It is confirmed as part of the action update that all members of the procurement team have had ECMS training or their knowledge refreshed and processes put in place to ensure ECMS is updated as procurement activity hands over to in life service</p> <p><b>Refresh of contract management skills within the new Model</b></p> <p>As with the Procurement Strategy, this action is intrinsically linked to the design of Provisioning Cycle and roles established to deliver</p>

<b>Action</b>	<b>Timescale</b>	<b>Responsible Officer (at the time action created)</b>	<b>Update/Outcome</b>
			that. This will develop in tandem with that design through the first 2 quarters of the next financial year.

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Division(s):

## AUDIT & GOVERNANCE COMMITTEE – 6 MARCH 2019

### REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2017/18

#### Report by the Monitoring Officer

#### RECOMMENDATION

1. The Committee is **RECOMMENDED** to note and comment upon the report.

#### Executive Summary

2. Each year the Monitoring Officer undertakes a survey of senior managers about the effectiveness of Internal Audit at Oxfordshire County Council. There is no longer a statutory requirement for a formal annual review of the effectiveness of Internal Audit, however this Committee last year agreed that the Monitoring Officer should continue to undertake this survey and report its outcomes to the Committee. This report summarises the responses to the survey. In short, the survey of the extended County Council Management Team continues to reveal a positive picture of the effectiveness of Internal Audit during the year 2017/18

#### Annual Survey

3. Questionnaires were sent to the County Council's extended senior management team. This resulted in responses 16 responses who had engaged with Internal Audit during 2017/18 (compared to 20 last year) out of a total cohort of 26 senior managers.
4. A full breakdown of the results is attached as an Annex to this report. The first part of the survey asked a series of questions to which respondents were invited to provide a rating in answer (from strongly agree through neutral to strongly disagree).
5. Overall the results are very favourable. Three core questions demonstrated a strong level of satisfaction about the nature and effectiveness of the service albeit that the positive results were slightly down on the previous year:
  - **94%** of respondents agreed or strongly agreed that the Service was **proactive in giving adequate information** about its role/purpose. No one disagreed. This is at the same level as the previous year.

- **94%** agreed or strongly agreed that the Service was **independent and objective**. No one disagreed. This is also comparative with the previous year.
  - **81%** agreed or strongly agreed that the Service **consulted on key risks or critical systems** in their area. One person disagreed, one remained neutral. This is a decline from 95% in the previous year.
  - **88%** agreed or strongly agreed that they had been **given an opportunity to comment on Internal Audit's work plans**. One person disagreed. This was however an improvement on the 84% satisfaction in the previous year.
  - **100%** of respondents agreed or strongly agreed that on individual assignments, they had had opportunity to contribution to the planning of the work. This was a good improvement on the previous year's rating of 75%.
  - **75%** did however agree or strongly agree that **reports were timely, practical and supported managers** in their key areas. Three were neutral, one disagreed. This was exactly equivalent to the previous year.
  - **71%**, also exactly equivalent to the previous year, agreed or strongly agreed that Internal Audit made an important contribution to ensuring **effective assurance arrangements are in place** for identifying improvement to the control environment.
6. The survey included a question about respondents' awareness (or otherwise) about the accountability framework:
- **100%** agreed or strongly agreed that they were **aware that Internal Audit reported into the Audit Working Group and Audit & Governance Committee** and that officers could be requested to attend meetings of both.
7. The survey also asked respondents to rate the overall level of service – with 100% of respondents considering the service to be 'good to excellent', improved from the 96% last year.
8. The survey also asked two open-ended questions seeking views on 'high value activity' and 'instances of concern'. The responses to both are included in the Annex.

### **Conclusion**

9. While 4 fewer people responded this year, the responses are nevertheless positive. There were no issue about the integrity, or capability, of any of the officers of Internal Audi and the comments continue to reflect that the service is well-regarded.
10. Internal Audit may wish to consider why a slightly lower number of people felt strongly that the Service consulted on key risks or critical systems in their area. However overall it is encouraging that the Council's most senior managers had confidence in the service and considered themselves to be aware of the proactive information from Internal Audit; and it is noteworthy that respondents had confidence in the service's independence.

## **Legal and Financial Implications**

11. While 4 fewer people responded this year, the responses are nevertheless positive. There were no issue as regards the integrity, or capability, of any of the officers of Internal Audit and the comments continue to reflect that the service is well-regarded.

### **NICK GRAHAM**

Monitoring Officer and Director of Law and Governance

Contact officer: Glenn Watson, 07776 997946

## Annex 1

### Review of the Effectiveness of Internal Audit 2017/18

16 responses were received to the **survey**. This summary shows answers to the 'ratings' questions and to the 'comment' questions.

#### Summary of Results

##### A. Ratings questions

Detailed breakdown for ***'I've been given adequate information about the role and purpose of Internal Audit.'***

Option	Results	Count
Strongly Agree	25%	(4)
Agree	69%	(11)
Neutral	6%	(1)
Disagree	0%	(0)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'I am consulted by Internal Audit on the key risks and critical systems in my area.'***

Option	Results	Count
Strongly Agree	31%	(5)
Agree	50%	(8)
Neutral	13%	(2)
Disagree	6%	(1)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'I am satisfied that Internal Audit is independent and objective.'***

Option	Results	Count
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Strongly Agree	44% (7)
Agree	50% (8)
Neutral	6% (1)
Disagree	0% (0)
Strongly Disagree	0% (0)
No view	0% (0)

Detailed breakdown for ***'I am given an opportunity to comment on Internal Audit's work plans.'***

Option	Results Count
Strongly Agree	38% (6)
Agree	50% (8)
Neutral	6% (1)
Disagree	6% (1)
Strongly Disagree	0% (0)

Detailed breakdown for ***'I can discuss the relevance of the planned audit activity throughout the year, and I have the opportunity to request other areas to be looked at where assurance is required.'***

Option	Results Count
Strongly Agree	48% (7)
Agree	48% (7)
Neutral	14% (2)
Disagree	0% (0)
Strongly Disagree	0% (0)

Detailed breakdown **for 'On individual audit assignments, where appropriate, I have an opportunity to provide input to the planning of Internal Audit work.'**

Option	Results	Count
Strongly Agree	50%	(8)
Agree	50%	(8)
Neutral	0%	(0)
Disagree	0%	(0)
Strongly Disagree	0%	(0)
No view	0%	(0)

Detailed breakdown for **'Internal Audit reports are timely, practical and support managers in the management of their key risks.'**

Option	Results	Count
Strongly Agree	31%	(5)
Agree	48%	(7)
Neutral	19%	(3)
Disagree	6%	(1)
Strongly Disagree	0%	(0)
No view	0%	(0)

Detailed breakdown for **'Internal Audit makes an important contribution to ensuring that effective assurance arrangements are in place for identifying improvements to the control environment'**

Option	Results	Count
Strongly Agree	18%	(6)
Agree	53%	(7)

Neutral	29% (3)
Disagree	0% (0)
Strongly Disagree	0% (0)

Detailed breakdown for ***'I am aware that Internal Audit reports are reported to the Audit Working Group and Audit & Governance Committee and that I may be obliged to attend as appropriate'***

Option	Results Count
Strongly Agree	50% (8)
Agree	50% (8)
Neutral	0% (0)
Disagree	0% (0)
Strongly Disagree	0% (0)

**Please rate your view of the overall performance of Internal Audit in your experience during 2017/18.**

1 being 'poor' and 10 being 'excellent'.      1    2    3    4    5    6    7    8    **X** 9    10

**B. Comments**

**(i) Indicate any instances of high value activity that you experienced with Internal Audit during 2017/18**

- Audit Working Group clerked well
- They make me aware of key risks such as fostering issues
- Identifying failings in DBS checking systems
- Thorough analysis of processes and outcomes
- Mental health audit
- Internal Audit have added value to the capital governance process, S106 process and security bonds
- As always, the team put in good work in a timely and professional manner. I was particularly impressed with the way they conducted the work on the Health and Safety Audit – helpful but firm

- I value my discussions with Internal Audit as they enable us to target areas of service that require investigating and assurance
- I like the fact they can highlight weaknesses and risks

**(ii) Indicate any instances of concern that you experienced that might help us improve the effectiveness of Internal Audit.**

- All minor deficiencies get reported - my suggestion is that those matters that can be corrected within days are omitted provided evidence of implementation is produced.

END

Division(s):

## **AUDIT AND GOVERNANCE COMMITTEE – 6 MARCH 2019**

### **REVIEW OF LOCAL GOVERNMENT ETHICAL STANDARDS: OVERVIEW OF THE REPORT ISSUED ON 30 JANUARY 2019**

Report by Director for Law & Governance

#### **RECOMMENDATION**

1. The Committee is **RECOMMENDED** to:
  - (a) **note this Report and the conclusions raised by The Committee on Standards in Public Life's report "A Review of Local Government Ethical Standards"; and**
  - (b) **ask the Monitoring Officer to discuss the Review's recommendations with the Oxfordshire Monitoring Officers' Group and report back to a further meeting of this Committee on actions that Oxfordshire's Councils can take jointly, and that this Council can individually, to create an improved ethical standards framework.**

#### **Executive Summary**

2. This Report details the proposed changes with regards to Members and their roles in public life.
3. The main changes considered by the Committee on Standards in Public Life: *A Review of Local Government Ethical Standards* ('the Review') are outlined below and relate to:
  - (a) Creation of a Model Code of Conduct;
  - (b) Reintroduction of sanctions;
  - (c) Creation of Standards Committees;
  - (d) Widening the requirement to register pecuniary interests;
  - (e) Training of Members;
  - (f) Strengthening the protection for the Monitoring Officer.

#### **Introduction**

4. The Committee on Standards in Public Life undertook a Review of Local Government Ethical Standards and it consulted with stakeholders.

5. The Consultation opened on 29 January 2018 and closed on 18 May 2018. The Consultation asked a number of questions in relation to Ethical Governance and anyone with an interest was asked to make a submission.
6. The Council responded to the Consultation with the submissions attached at Annex 1.
7. On 30 January 2019, The Committee on Standards in Public Life issued their *Review on Local Government Ethical Standards* which took account of the submissions made with respect to the Consultation.
8. This Report sets out some of the main points that the Review raised, some of which relate to best practice and some which would require statutory change.
9. An Executive Summary of the Review can be found at Annex 2.

## **Summary of the Report.**

### **Model Code of Conduct:**

10. The Review considers that a Model Code of Conduct should be established and the Local Government Association should be tasked with drafting it. The Review criticises the current regime because Local Authorities operate under different codes of conduct and as a such, it is considered by the Committee that a much clearer and consistent Code.
11. The Committee didn't consider it necessary for this to be a mandatory national code but rather that there should be a model core to which authorities can add locally agreed aspects. The aim is to avoid confusion – particularly if a Member sits in different tiers of Local Authorities (a 'dual or triple hatter') – and to provide the public and councillors with a clear expectation as to the standards that should be followed.
12. Oxfordshire authorities have been somewhat ahead of this curve by working together successfully over the past several years to adopt a cross-Oxfordshire Code, which is also applicable to parish councils. This collaborative approach puts Oxfordshire authorities in a good position to adopt a revised Code when appropriate.
11. The Review highlighted that current standards regimes only apply when an individual is acting in their role as a member of the Council. The Review considers this doesn't go far enough and that ethical standards do not 'stop at Council door'. The Review considers that comments made by individuals in *other situations* should also be considered under Code of Conduct. This includes comments made on social media. As such, the Code of Conduct should also apply to members when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority.

## **Sanctions**

12. The Review considers that current sanctions are insufficient. It felt that whilst party discipline has an important role to play in maintaining high standards, it lacks the necessary independence and transparency to play a central role in a standards system. The Review considers that the current lack of robust sanctions damages public confidence in the standards system and leaves local authorities with no means of enforcing lower level sanctions, nor of addressing serious or repeated misconduct.
13. The Review recommends the introduction of suspension for Members for up to 6 months without allowances if they are found to be in breach of the Code of Conduct. The Review did not consider there was a case for disqualification on the basis that only the public can be the proper judge of the suitability of a councillor to represent them which they only have the proper authority to do in an election or re-election.
15. The Review considers that any standards process needs to have safeguards in place to ensure that decisions are made fairly and impartially. It is considered that the Independent Person is an important safeguard in the current system. The Review recommends that this safeguard should be strengthened and clarified: a local authority should only be able to suspend a councillor where the Independent Person agrees both that there has been a breach and that suspension is a proportionate sanction. Independent Persons should have fixed terms and legal protections. The view of the Independent Person in relation to a decision on which they are consulted should be published in any formal decision notice.
16. Any Member, on being suspended, will have a right to appeal to Local Government Ombudsman.

## **Standards Committee**

17. The Review considered that Local Authorities should maintain a standards committee. Such a committee would advise on standards issues and decide on alleged breaches and sanctions, or a combination of these. Independent members of decision-making standards committees should be able to vote.

## **Pecuniary interests**

18. The Committee considered that the current arrangements for declaring and managing interests are unclear, too narrow and do not meet the expectations of councillors or the public. The current requirements for registering interests should be updated to include categories of non-pecuniary interests. The current rules on declaring and managing interests should be repealed and replaced with “an objective test”, in line with the devolved standards bodies in Scotland, Wales and Northern Ireland. Effectively the objective test is:

“Whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a councillor.”

19. The Review recommends that the current criminal offence (failure to declare a disclosable pecuniary interest) as imposed by the Localism Act 2011 should be abolished.

### **Training of Members**

20. The Review reflects the Committee on Standards in Public Life’s view that ethical standards training, even where offered, may not always be taken up by councillors and co-opted members. The Review suggests that a stronger role should be played by political groups and national political parties to ensure that councillors attend relevant training on ethical standards where this is offered by their local authority.

### **Strengthening the Role of the Monitoring Officer.**

21. The review considers that the Monitoring Officer is the lynchpin of the current standards arrangements. The Review concluded, however, that the role is not unique in its tensions and can be made coherent and manageable with the support of other statutory officers. The Review considers that employment protections for statutory officers should be extended, and statutory officers should be supported through training on local authority governance.

### **22. The Oxfordshire submission and the Review**

23. The Council’s submission to the review expressed several views. These are at Annex 1 but are summarised below alongside the Review’s position (where relevant).

<b>Council’s submission</b>	<b>Review’s position</b>
Sanctions are insufficient	Sanctions should be strengthened buttressed by a Standards Committee and Independent Person roles
Model Code of Conduct should be created with references to bullying, abuse, sexual harassment and discrimination	Model Code should be created with potential for local addition. Ethical standards around social media should be clearly expressed.
Independence should be more rigorously embedded into the investigation of complaints	Revised approach to complaints maintaining the pivotal roles of Monitoring Officer and the Independent Person and introducing a potential role for Standards Committees with sanctions.
Should be right of appeal to the	Review agrees and recommends that a councillor facing sanction can appeal to the Local



Ombudsman	Government and Social Care Ombudsman.
Should be a read-over of councillor behaviour from one council to another	Not specifically covered but a definite emphasis that a councillor/co-opted member's behaviour in one context should read-over, with an 'objective test' (as above).
Declarations of interest spouses should not have to be listed separately	Review agrees.
Whistleblowing contacts should be publicised	Review agrees and recommends this (Oxfordshire CC already compliant)
Authorities should be encouraged to pilot best practice	Not specifically mentioned but emphasis on standards committees' and authorities having greater responsibility for promoting ethical standards
Intimidation - councillors' addresses should not necessarily be routinely published	Review agrees and recommends that home addresses do not have to be routinely published by councils either as part of a public register of interests or on websites

## Conclusion

24. Many of the Review's recommendations will require primary legislation which will be subject to Parliamentary timetabling. However, any other recommendations could be implemented relatively quickly by authorities themselves. The Committee for Standards in Public Life now await the Government's response to the Review which is anticipated to be within 3 months.
25. In the meantime, this Committee might wish to recommend the Monitoring Officer to work with colleagues across Oxfordshire to consider the recommendations and identify any actions that Oxfordshire authorities could take now, and to identify any preparations that could usefully be made now in advance of any statutory changes. Such that a report back to this Committee could then be made.

Nick Graham  
Monitoring Officer and Director of Law and Governance

Background papers:

Contact Officer: Glenn Watson,  
Principal Governance Officer  
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SUBMISSION FROM  
OXFORDSHIRE COUNTY COUNCIL

THE COMMITTEE ON STANDARDS IN PUBLIC LIFE  
REVIEW OF LOCAL GOVERNMENT ETHICAL STANDARDS

May 2018

## **Introduction**

1. The Audit and Governance Committee of Oxfordshire County Council discussed the Stakeholder Consultation at its meeting on 7 March 2018. It was agreed that the issues raised were of great importance to all Members of the Council and that a collective submission should be made.
2. The Committee set up a Working Group to draft a submission on behalf of the County Council. The draft submission was circulated to all 63 Members of the Council for further input. The following is the submission from Oxfordshire County Council.

## **Ethical Standards**

3. The public have a right to expect very high standards in all levels of government. In order to inspire confidence and engagement, any system needs to acknowledge that elected representatives have a high degree of responsibility and can often be, or be perceived to be, in a position of power over others.
4. The number of complaints under the current system appears to be very low. We believe that this may be the result of a combination of two main factors: the available sanctions are perceived to be light and the complaints system may not be seen to be sufficiently independent.

## **Code of Conduct**

5. Consideration should be given to creating a model code which refers not just to 'bullying' in general but to other specific ethical areas such as abuse, exploitation, sexual harassment and discrimination. Greater clarity on what can constitute unacceptable behaviour would benefit councillors as well as complainants. In addition, it would be helpful to provide guidance on protocols for dealing with complaints under each of those areas.
6. All councils in Oxfordshire have an agreed Code of Conduct. This should be the norm in all non-unitary situations in order to avoid inconsistencies for "dual-hat" councillors.

## **Independence**

7. Councils have a statutory role in considering and deciding upon complaints. Currently the Monitoring Officer has responsibility for dealing with complaints and the position of Monitoring Officer is established, and protected, in law to facilitate effective challenge to elected members. We are aware too that a Monitoring Officer must consult an Independent Person or Persons as an integral part of investigations. Nevertheless, as Monitoring Officers have to deal with their local councillors on a regular, day to day basis, some members

of the public may regard that Monitoring Officers should not have a solely pivotal position and that the statutory requirement to consult the Independent Person(s) does not provide a robust enough level of detachment.

8. We ask the Committee to consider how the public can be given a more independent resource to access to deal with complaints, either as a source of advice or for example as a means of appeal.
9. On that latter point, we consider there should be a right of appeal in the complaints procedure. We would like the Committee to consider, for example, if the Local Government Ombudsman could more routinely take on the role of investigating complaints against councillors if complainants are not happy with the outcome from local authorities

### **Complaints about councillors**

10. It seems iniquitous to us that sanctions against a 'dual-hat' councillor should only apply in relation to the role in which they were acting at the time of the relevant incident. Sanctions should apply to any elected position that they hold where appropriate.
11. There should be a right to recall an elected councillor similar to the provisions of the Recall of MPs Act 2015.
12. Currently councillors can lose their seat if convicted and sentenced to three months or more in prison. We do not believe this three-month limit sends the right signals about the importance of standards in public life and would advocate that a councillor should lose their seat if they serve any custodial sentence.

### **Declarations of Interest**

13. Spouses of councillors are entitled to a certain level of privacy and in this regard we believe that spousal interests should not be listed separately because they are, in effect, *the councillor's interests*. As such, it should be made clear that authorities need not differentiate in published registers the councillor's and spouse's interests. This is already the practice in some local authorities but we believe that it should be the standard defined in legislation/guidance.

### **Whistleblowing**

14. A charity, Public Concern at Work, offers an independent helpline for whistleblowers. Local authorities should be obliged to include contact details in their publicised arrangements for complaints to ensure that members of the public are aware of this facility and can easily access it if they wish.

### **Improving standards**

15. Individual local authorities should be encouraged to pilot measures that might be introduced more widely if found to be successful and share their findings.
16. National government still needs to play a strong role in ensuring a high level of minimum standards across England. This should include identifying examples of best practice and disseminating these to other authorities.
17. Rather than each local authority developing their own protocols on complex and sensitive issues such as sexual harassment or cyber bullying, national government can play an important role in ensuring the provision of advice or standard protocols.

### **Intimidation**

18. Councillors (and potential councillors) are growing increasingly concerned about how vulnerable their families are because their home addresses are published on election material.
19. The government has a current proposal that the legislation for parliamentary elections be amended to remove the requirement to publish candidates' addresses on ballot papers. This should be extended to local elections.
20. It is not a legal requirement that authorities publish councillors' home addresses, though many do routinely. It should be made clearer that inclusion of full addresses on council websites is optional.
21. There is a legal requirement to publish a members' interests but in cases 'sensitive' circumstances, such as intimidation, there is already a legal mechanism for councillors to ask that the Monitoring Officer does not publish that information. We believe that this is not as widely known as it should be and a greater effort locally and nationally should be made to ensure that councillors are aware of this.
22. It may not be within the remit of this Committee but in our experience the police appear to have a very high threshold for acting on complaints of unacceptable behaviour in the political arena. While respecting the independence of the police force, politicians must not be perceived as being 'fair game' for behaviour that goes beyond a robust expression of views.

END

Contact: Nick Graham, Director of Law and Governance  
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# Executive summary

Local government impacts the lives of citizens every day. Local authorities are responsible for a wide range of important services: social care, education, housing, planning and waste collection, as well as services such as licensing, registering births, marriages and deaths, and pest control. Their proximity to local people means that their decisions can directly affect citizens' quality of life.

High standards of conduct in local government are therefore needed to protect the integrity of decision-making, maintain public confidence, and safeguard local democracy.

Our evidence supports the view that the vast majority of councillors and officers maintain high standards of conduct. There is, however, clear evidence of misconduct by some councillors. The majority of these cases relate to bullying or harassment, or other disruptive behaviour. There is also evidence of persistent or repeated misconduct by a minority of councillors.

We are also concerned about a risk to standards under the current arrangements, as a result of the current rules around declaring interests, gifts and hospitality, and the increased complexity of local government decision-making.

Giving local authorities responsibility for ethical standards has a number of benefits. It allows for flexibility and the discretion to resolve standards issues informally. We have considered whether there is a need for a centralised body to govern and adjudicate on standards. We have concluded that whilst the consistency and independence of the system could be enhanced, there is no reason to reintroduce a centralised body, and that local

authorities should retain ultimate responsibility for implementing and applying the Seven Principles of Public Life in local government.

We have made a number of recommendations and identified best practice to improve ethical standards in local government. Our recommendations are made to government and to specific groups of public office-holders. We recommend a number of changes to primary legislation, which would be subject to Parliamentary timetabling; but also to secondary legislation and the Local Government Transparency Code, which we expect could be implemented more swiftly. Our best practice recommendations for local authorities should be considered a benchmark of good ethical practice, which we expect that all local authorities can and should implement. We will review the implementation of our best practice in 2020.

## Codes of conduct

Local authorities are currently required to have in place a code of conduct of their choosing which outlines the behaviour required of councillors. There is considerable variation in the length, quality and clarity of codes of conduct. This creates confusion among members of the public, and among councillors who represent more than one tier of local government. Many codes of conduct fail to address adequately important areas of behaviour such as social media use and bullying and harassment. An updated model code of conduct should therefore be available to local authorities in order to enhance the consistency and quality of local authority codes.



There are, however, benefits to local authorities being able to amend and have ownership of their own codes of conduct. The updated model code should therefore be voluntary and able to be adapted by local authorities. The scope of the code of conduct should also be widened, with a rebuttable presumption that a councillor's public behaviour, including comments made on publicly accessible social media, is in their official capacity.

### **Declaring and managing interests**

The current arrangements for declaring and managing interests are unclear, too narrow and do not meet the expectations of councillors or the public. The current requirements for registering interests should be updated to include categories of non-pecuniary interests. The current rules on declaring and managing interests should be repealed and replaced with an objective test, in line with the devolved standards bodies in Scotland, Wales and Northern Ireland.

### **Investigations and safeguards**

Monitoring Officers have responsibility for filtering complaints and undertaking investigations into alleged breaches of the code of conduct. A local authority should maintain a standards committee. This committee may advise on standards issues, decide on alleged breaches and sanctions, or a combination of these. Independent members of decision-making standards committees should be able to vote.

Any standards process needs to have safeguards in place to ensure that decisions are made fairly and impartially, and that councillors are protected against politically-motivated, malicious, or unfounded allegations of misconduct. The Independent Person is an important safeguard in the current system. This safeguard should be strengthened and clarified: a local authority should only be able to suspend a councillor where the Independent

Person agrees both that there has been a breach and that suspension is a proportionate sanction. Independent Persons should have fixed terms and legal protections. The view of the Independent Person in relation to a decision on which they are consulted should be published in any formal decision notice.

### **Sanctions**

The current sanctions available to local authorities are insufficient. Party discipline, whilst it has an important role to play in maintaining high standards, lacks the necessary independence and transparency to play the central role in a standards system. The current lack of robust sanctions damages public confidence in the standards system and leaves local authorities with no means of enforcing lower level sanctions, nor of addressing serious or repeated misconduct.

Local authorities should therefore be given the power to suspend councillors without allowances for up to six months. Councillors, including parish councillors, who are suspended should be given the right to appeal to the Local Government Ombudsman, who should be given the power to investigate allegations of code breaches on appeal. The decision of the Ombudsman should be binding.

The current criminal offences relating to Disclosable Pecuniary Interests are disproportionate in principle and ineffective in practice, and should be abolished.





## **Town and parish councils**

Principal authorities have responsibility for undertaking formal investigations of code breaches by parish councillors. This should remain the case. This responsibility, however, can be a disproportionate burden for principal authorities. Parish councils should be required to adopt the code of their principal authority (or the new model code), and a principal authority's decision on sanctions for a parish councillor should be binding. Monitoring Officers should be provided with adequate training, corporate support and resources to undertake their role in providing support on standards issues to parish councils, including in undertaking investigations and recommending sanctions. Clerks should also hold an appropriate qualification to support them to uphold governance within their parish council.

## **Supporting officers**

The Monitoring Officer is the lynchpin of the current standards arrangements. The role is challenging and broad, with a number of practical tensions and the potential for conflicts of interest. Local authorities should put in place arrangements to manage any potential conflicts. We have concluded, however, that the role is not unique in its tensions and can be made coherent and manageable with the support of other statutory officers. Employment protections for statutory officers should be extended, and statutory officers should be supported through training on local authority governance.

## **Councils' corporate arrangements**

At a time of rapid change in local government, decision-making in local councils is getting more complex, with increased commercial activity and partnership working. This complexity risks putting governance under strain. Local authorities setting up separate bodies risk a governance 'illusion', and should

take steps to prevent and manage potential conflicts of interest, particularly if councillors sit on these bodies. They should also ensure that these bodies are transparent and accountable to the council and to the public.

Our analysis of a number of high-profile cases of corporate failure in local government shows that standards risks, where they are not addressed, can become risks of corporate failure. This underlines the importance of establishing and maintaining an ethical culture.

## **Leadership and culture**

An ethical culture requires leadership. Given the multi-faceted nature of local government, leadership is needed from a range of individuals and groups: an authority's standards committee, the Chief Executive, political group leaders, and the chair of the council.

Political groups have an important role to play in maintaining an ethical culture. They should be seen as a semi-formal institution sitting between direct advice from officers and formal processes by the council, rather than a parallel system to the local authority's standards processes. Political groups should set clear expectations of behaviour by their members, and senior officers should maintain effective relationships with political groups, working with them informally to resolve standards issues where appropriate.

The aim of a standards system is ultimately to maintain an ethical culture and ethical practice. An ethical culture starts with tone. Whilst there will always be robust disagreement in a political arena, the tone of engagement should be civil and constructive. Expected standards of behaviour should be embedded through effective induction and ongoing training. Political groups should require their members to attend code of conduct training provided by a local authority, and this should also be



written into national party model group rules. Maintaining an ethical culture day-to-day relies on an impartial, objective Monitoring Officer who has the confidence of all councillors and who is professionally supported by the Chief Executive.

An ethical culture will be an open culture. Local authorities should welcome and foster opportunities for scrutiny, and see it as a way to improve decision making. They should not rely unduly on commercial confidentiality provisions, or circumvent open decision-making processes. Whilst local press can play an important role in scrutinising local government, openness must be facilitated by authorities' own processes and practices.

Division(s):

## **AUDIT & GOVERNANCE COMMITTEE – 6 MARCH 2019**

### **REPORT OF THE AUDIT WORKING GROUP – 6 FEBRUARY 2019**

**Report by Director of Finance**

#### **RECOMMENDATION**

1. The Committee is RECOMMENDED to note the report.

#### **Executive Summary**

2. The Audit Working Group met on 6 February 2019 and received updates and reviewed progress in respect of the previous audits of Mental Health, Health & Safety and Security Bonds. The group reviewed a recently finalised audit report of Business Continuity which had been graded as Red, officers attended the group to provide an update on progress already taken and the action plan now in place to address the weaknesses identified. The group also considered an update in respect of the risk management, which included a review of the arrangements within the Communities Directorate.

#### **Introduction**

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Nick Carter, Cllr Paul Buckley; Cllr Deborah McIlveen, Cllr Charles Mathew, Ian Dyson, Assistant Director of Finance; Sarah Cox, Chief Internal Auditor; Tessa Clayton, Audit Manager, Georgina Cox, Auditor (minutes)

Part Meeting:

Nick Graham, Strategic Director, Kate Terroni, Director Adults, Karen Fuller, Deputy Director Adults, Fiona Percival, County HR Manager, Paul Lundy, County Health & Safety Manager, Bev Hindle, Strategic Director, Rikke Hansen, Head of Integration & Improvement, Steven Jones, Corporate Performance and Risk Manager. Rob MacDougall, Assistant Chief Finance Officer (Corporate Lead for Business Continuity) and Andy Brett, Business Continuity and Resilience Manager, Eric Owens, Assistant Director Growth and Place.

## **Matters to Report:**

### **AWG 18.38 Mental Health Audit Update**

The group received an update from the Director and Deputy Director of Adults on the progress in addressing the weaknesses identified from the follow up audit of Mental Health, finalised in April 2018, which remained graded as Red. Officers had last attended the Audit Working Group in June 2018 and since then the responsibility for the delivery for social work provision for the over 65's has been brought back from Oxford Health to the OCC teams.

The group were satisfied that significant progress had been made for the over 65s and were updated on examples where the improvements implemented have led to delivery of better outcomes for service users. The group noted that for adults of working age mental health service that some actions remain outstanding; however, that OCC are working closely with Oxford Health to determine the future arrangements. The group agreed that Officers would attend the September AWG meeting to provide a further update.

### **AWG 18.39 Health & Safety Audit Update**

The audit was finalised in October 2018 and had an overall conclusion grading of Red, with weaknesses noted with the governance structure and assurance arrangements for the management of health and safety across the council.

Officers attended the October AWG and also the January A&G Committee to discuss the action plan in place to address the weaknesses. Officers provided a further update to the AWG to confirm that the action plan is on track to implement all actions by the end of March 2019. The group were satisfied with the progress made. The remaining actions will continue to be monitored via the Internal Audit action tracking and reporting system.

### **AWG 18.40 Business Continuity Audit**

The audit of Business Continuity has recently been finalised (January 2019), with an overall grading of Red. Officers attended to update the group regarding the agreed action plan. The group considered the full internal audit report. The group noted the work already completed and that officers plan to have all actions implemented by 31 March 2019. The actions will be monitored via the Internal Audit action tracking and reporting system.

### **AWG 18.41 Risk Management update**

Officers presented an update on the corporate risk management approach. The group noted the plan in place which includes revision of the Risk Management Strategy, introduction of the new Annual Development Plan for risk management, and full review of the Strategic Risk Register.

The group acknowledged the ongoing work and the strategic direction being provided by the Chief Executive to improve and properly embed risk management as a routine part of OCC's everyday work.

The group also reviewed the risk management arrangements in place within the Communities Directorate through review of the risk registers and attendance of officers from Communities at the meeting. The group noted the planned developments to refresh the arrangements for risk management, which includes a programme of training to enable Communities to have a more cohesive, consistent and strategic approach. Communities were invited to attend the October AWG to present the improvements made.

The AWG have asked for the revised Strategic risk register to be brought to the April AWG meeting for review.

The AWG have asked that the Resources risk register be brought to the June AWG meeting for review.

#### **AWG 18.42 Security Bonds Audit Update**

The audit was finalised in April 2018 and had the overall grading of Red. Officers attended the June AWG meeting to provide an update on the implementation of actions. Officers were invited back to the February meeting to provide a further update. The group noted progress has been made with the implementation of actions, however there are some still in progress which officers reported that this has been due to the complexity of some the work that has been required. Officers confirmed they would be able to prepare a short report for April AWG to confirm that all actions are implemented.

Lorna Baxter, Director of Finance

Contact Officer: Sarah Cox, Chief Internal Auditor  
February 2019.  
07393 001246      [sarah.cox@oxfordshire.gov.uk](mailto:sarah.cox@oxfordshire.gov.uk)

Date of next AWG meeting Wednesday 24 April 2019, 1.30 pm

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Division(s):

## **AUDIT AND GOVERNANCE COMMITTEE – 6 MARCH 2019**

### **Transformation Sub-Committee Report**

**Report by Deputy Chairman of the Transformation Sub-Committee**

#### **RECOMMENDATION**

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

#### **Introduction**

2. The Joint Audit & Governance and Performance Scrutiny (Transformation) Sub-Committee held its first meeting on 17 January 2019. Councillor Liz Brighouse was elected Chairman and Councillor Nick Carter was elected Deputy Chairman.

#### **Agenda**

3. The Sub-Committee received presentations on the latest developments and future plans for the transformation programme and on the budget implications for the programme. The Chief Executive and other senior officers attended to address questions.

#### **Outcomes**

4. The Sub-Committee forwarded comments to the Cabinet on the budget for 2019/20 – see Annex 1 of this report.
5. The schedule of meetings for the Sub-Committee were agreed as follows:
  - 18 April 2019
  - 13 June 2019
  - 25 July 2019
  - 17 October 2019
  - 5 December 2019

Councillor Nick Carter  
Deputy Chairman

Background papers: Nil

Contact Officer: Colm Ó Caomhánaigh, Committee Officer

February 2019

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## **CABINET – 22 JANUARY 2019**

### **Service and Resource Planning 2019/20 – 2022/23**

#### **Comments from the Joint Audit & Governance and Performance Scrutiny (Transformation) Sub-Committee**

At the first meeting of the Joint Audit & Governance and Performance Scrutiny (Transformation) Sub-Committee (hereafter referred to as the 'Sub-Committee') Councillors received a presentation about the Transformation budget implications. These comments will form an addendum for Cabinet to consider as part of the Service and Resource Planning 2019/20 – 2022/23.

The Sub-Committee made the following general comments:

- The Sub-Committee were pleased with progress to date and noted that it could clearly see where concerns raised by Councillors had been acted upon
- The Sub-Committee were pleased that the Council is clearly monitoring transformation savings and costs, it sees this as a key role for the Sub-Committee in the future
- It was accepted that the transformation programme is an evolution across the whole organisation requiring a significant culture change
- Councillors felt it was important that the Transformation programme also developed a way to capture and utilise intelligence gained by Councillors through their casework

The following specific comments were also made in relation to FTE Savings:

- The Sub-Committee were pleased that the Council is proactively and robustly looking at how natural turnover across the organisation can minimise the need for redundancy or redeployment but remained concerned about the potential impact on staff. The Sub-Committee requested that it is kept informed about redundancies and redeployment, where appropriate
- The Sub-Committee requested that as part of managing our workforce, the Council actively seeks to engage younger people in our communities and working to attract the right people with the right skills into the organisation.

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## **AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – 2019/20**

### **8 May 2019**

Highways Update (Owen Jenkins)  
Information Governance (Caroline Parker)  
Governance of Oxfordshire Local Enterprise Partnership (OxLEP)  
Annual Governance Statement (Glenn Watson)  
Annual Report of the Chief Internal Auditor 2018/19 (Sarah Cox)  
Internal Audit Strategy & Annual Plan 2019/20 (Sarah Cox)  
Audit Committee Annual Report to Council 2018 (Sarah Cox)  
Annual Scrutiny Report (Katie Read)  
Ernst & Young - Progress Report (Paul King)  
OFRS Statement of Assurance 2018-19 (Paul Bremble)  
Draft narrative statement and Accounting Policies for inclusion in the Statement of Accounts (Hannah Doney)  
Oxford Direct Services work arrangement  
Counter-fraud Update (Sarah Cox)  
Local Code of Corporate Governance (Glenn Watson)

### **17 July 2019**

Statement of Accounts 2018/19 (Lorna Baxter)  
Ernst & Young – Final Accounts Audit (Paul King)  
Treasury Management Outturn 2018/19 (Tim Chapple)  
Internal Audit Charter (Sarah Cox)  
Counter-fraud Plan 2019/20 (Sarah Cox)

### **11 September 2019**

Local Government Ombudsman's Review of Oxfordshire Co Co (Nick Graham)  
Internal Audit Plan – Progress Report (Sarah Cox)  
Surveillance Commissioner's Inspection and Regulation of Investigatory Powers Act (Richard Webb)  
Monitoring Officer Annual Report (Nick Graham)  
Ernst & Young – 2018/19 Annual Audit Letter (Paul King)

### **13 November 2019**

Ernst & Young (Paul King)  
Treasury Management Mid Term Review (Tim Chapple)  
Counter-fraud Update (Sarah Cox)

### **15 January 2020**

Internal Audit Plan – Progress Report (Sarah Cox)  
Ernst & Young - Audit Plan (Paul King)  
Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21 (Tim Chapple)

### **18 March 2020**

Ernst & Young – Audit Progress Update (Paul King)  
Scale of Election Fees and Expenditure (Glenn Watson)  
Progress update on Annual Governance Statement Actions (Glenn Watson)

***Standing Items:***

- Report from the Transformation Sub-Committee
- Audit Working Group reports (Sarah Cox)
- Audit & Governance Committee Work Programme – update/review (Committee Officer/Chairman/relevant officers)