



To: Members of the Audit & Governance Committee

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

Wednesday, 8 May 2019 at 10.30 am

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

Yvonne Rees
Chief Executive

April 2019

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

Membership

Chairman – Councillor Nick Carter
Deputy Chairman - Councillor Tony Illott

Councillors

Paul Buckley
Jeannette Matelot
Charles Mathew

D. McIlveen
Glynis Phillips
Les Sibley

Roz Smith

Co-optee

Dr Geoff Jones

Notes:

- ***There will be a pre-meeting briefing in the Members' Boardroom at County Hall on Wednesday 1 May 2019 at 10.00 for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 17 July 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 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 - 8)

To approve the minutes of the meeting held on 6 March 2019 and to receive information arising from them.

4. Petitions and Public Address

5. Annual Report of the Chief Internal Auditor 2018/19 (Pages 9 - 62)

10.35

Report from the Chief Internal Auditor.

This is the annual report of the Chief Internal Auditor, summarising the outcome of the Internal Audit work in 2018/19, and providing an opinion on the Council's System of Internal Control. The opinion is one of the sources of assurance for the Annual Governance Statement.

The Committee is RECOMMENDED to consider and endorse this annual report.

6. Internal Audit Strategy & Annual Plan 2019/20 (Pages 63 - 86)

10.50

Report from the Director for Finance.

This report presents the Internal Audit Strategy and Annual Internal Audit Plan for 2019/20.

The committee is RECOMMENDED to comment on and note the Internal Audit Strategy for 2019/20 and 2019/20 Internal Audit Plan.

7. Audit & Governance Committee Annual Report to Council 2018 (Pages 87 - 100)

11.05

Report by the Chairman of the Audit & Governance Committee to be presented to The

Council.

The Annual Report sets out the role of the Audit & Governance Committee and summarises the work that has been undertaken both as a Committee and through the support of the Audit Working Group in 2018/19.

The Committee is RECOMMENDED to consider the Annual Report and suggest any additions or amendments.

8. Report from Audit Working Group (Pages 101 - 104)

11.15

Report from the Director for Finance.

This report presents the matters considered by the Audit Working Group Meeting of 24 April 2019.

The Committee is RECOMMENDED to note the report.

9. External Auditors (Verbal Report)

11.25

Representatives from the external auditors Ernst & Young will attend to give a verbal update.

10. Oxfordshire County Council and Cherwell District Council Partnership - Review of Governance Arrangements (Pages 105 - 112)

11.35

Report from the Director for Law and Governance and Monitoring Officer

The purpose of this report is to present the Committee with a review of the governance arrangements of the partnership working between Oxfordshire County Council and Cherwell District Council.

The Committee will be well aware that Oxfordshire County Council (OCC) and Cherwell District Council (CDC) entered into a partnership agreement at the beginning of September 2018. The Committee approved the terms of the partnership agreement (also known as the Section 113 Agreement) together with the approval of a number of other documents that related to the governance of the relationship between the two Councils. These included the Chief Executive Protocol, the Ethical Walls Protocol, the Role of Councillors Arrangements and the Terms of Reference of the Joint Committee.

On the 12 September 2018, the Audit & Governance Committee sought further clarification on the role and purpose of the Joint Committee and the terms of reference

which were considered and approved further on the 14 November 2018.

At the inaugural meeting of the Partnership Working Group – the advisory committee set up to manage joint working between the two Councils – it was acknowledged that a review of the governance should be undertaken to ensure that effective and efficient arrangements were in place to underpin the development of the joint agreement.

This report seeks to review those governance arrangements for endorsement by the Audit & Governance Committee and ratification by the Partnership Working Group and the respective Executive and Cabinet of the partner authorities.

The Committee is RECOMMENDED to endorse the review of the partnership governance outlined in this report.

11. Annual Governance Statement 2019-20 (Pages 113 - 144)

12.00

Report by Director of Law & Governance and Monitoring Officer.

The Audit & Governance Committee has the responsibility of approving the Council's Annual Governance Statement (AGS) each year.

Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.

This report presents the draft Annual Governance Statement to the Committee for consideration and approval

The Audit & Governance Committee is RECOMMENDED to approve the Annual Governance Statement 2018/19, subject to the Director of Law and Governance making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, Chief Executive and Section 151 officer.

12. Report from Transformation Subcommittee (Pages 145 - 146)

12.20

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

The second meeting of the Joint Audit & Governance and Performance Scrutiny (Transformation) Sub-Committee took place on 18 April 2019. The Sub-Committee considered a quarterly performance report covering January – March 2019 and a presentation about the interface between the Cherwell Partnership and the Transformation Programme.

The Committee is RECOMMENDED to note the report.

13. Annual Scrutiny Report (Pages 147 - 170)

12.30

Report by Policy and Performance Service Manager

The Scrutiny Annual report provides a summary of the work of the Council's overview and scrutiny function in 2018-19. This function includes the council's three Overview and Scrutiny Committees and any joint scrutiny arrangements. The report will be considered by the Audit and Governance Committee and the Performance Scrutiny Committee prior to Council.

The Committee is RECOMMENDED to comment on the report prior to its presentation to Council for approval.

14. LUNCH BREAK

12.45

15. Accounting Policies for Preparation of the Statement of Accounts and the Approach to the Narrative Statement (Pages 171 - 174)

13.30

Report from the Director for Finance

PLEASE NOTE THE APPENDIX TO THIS DOCUMENT WILL BE CIRCULATED AS AN ADDENDUM TO THE AGENDA.

As the body identified as 'Those Charged with Governance' within the Council, The Audit and Governance Committee is responsible for signing the Statement of Accounts at the meeting of the committee in July.

This report sets out the Council's Significant Accounting Policies for 2018/19, as selected and approved by the Director of Finance. The CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom defines Accounting Policies as 'the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements'. The accounting policies describe how the Council has interpreted and applied the code and form the basis of the preparation of the accounts.

The report also sets out the approach to the Narrative Report for inclusion in the 2018/19 Statement of Accounts, including the content of the Narrative Report and the approval process before the draft Statement of Accounts is published for Public Inspection on 31 May 2019.

The Committee is RECOMMENDED to

- a) **note the report;**
- b) **ratify the accounting policies as approved by the Chief Finance Officer and included as an appendix to this report; and**
- c) **note the content and timetable for the 2018/19 narrative report.**

16. Governance of the Oxfordshire Local Enterprise Partnership

14.00

Presentation from the Oxfordshire Local Enterprise Partnership.

17. Highways Update (Pages 175 - 180)

14.45

Report from the Director for Community Operations.

Further to the report to the meeting on November 2019, this paper provides feedback on the progress of addressing issues raised and the results of the subsequent audit inspection.

The Audit and Governance Committee is RECOMMENDED to note progress to date.

18. Oxfordshire Fire And Rescue Service Statement Of Assurance 2018/19 (Pages 181 - 208)

15.15

Report by the Chief Fire Officer

The Fire and Rescue National Framework for England (the Framework) sets out a requirement for fire and rescue authorities to provide an annual statement of assurance on financial, governance and operational matters and to show how they have due regard to the requirements of the Framework and the expectations set out in authorities' own integrated risk management plans.

To demonstrate this, the Framework requires that each authority must publish an annual statement of assurance. The Statement of Assurance 2018/19 document is intended to meet the obligation to produce this statement through reference to public webpages, existing reports and documents.

The Committee is RECOMMENDED to approve the report.

19. Carillion Recovery Plan Update (Verbal Report)

15.35

This will be a verbal update on progress.

20. EXEMPT ITEM

In the event that any Member or Officer wishes to discuss the information in the report to Item 21, the Committee will be invited to resolve to exclude the public for the consideration of that report by passing a resolution in relation to that item in the following terms:

"that the public be excluded during the consideration of the report since it is likely that if they were present during that discussion there would be a disclosure of "exempt" information as described in Part I of Schedule 12A to the Local Government Act, 1972 and specified below the item in the Agenda".

THE REPORT TO THE ITEM NAMED HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS 'CONFIDENTIAL' BY MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

THIS IS FOR REASONS OF COMMERCIAL SENSITIVITY.

THIS ALSO MEANS THAT THE CONTENTS SHOULD NOT BE DISCUSSED WITH OTHERS AND NO COPIES SHOULD BE MADE.

21. Carillion Legacy Programme - Negotiation Activity (Pages 209 - 212)

15.55

Report by the Director of Community Operations.

The information contained in the report is exempt in that it falls within the following prescribed categories:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information);*
5. *Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that the disclosure could affect the negotiations with the liquidators of Carillion.

This report provides a requested update on the negotiation with the Liquidators for Carillion, over their claim against OCC, our counter claim, and related matters.

The Committee is RECOMMENDED to note the contents of the report.

22. Work Programme (Pages 213 - 214)

16.25

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.
