

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 11 September 2019 commencing at 2.00 pm and finishing at 4.20 pm

Present:

Voting Members: Councillor Nick Carter – in the Chair

Councillor Tony Ilott (Deputy Chairman)
Councillor Paul Buckley
Councillor Dr Simon Clarke
Councillor Charles Mathew
Councillor D. McIlveen
Councillor Glynis Phillips
Councillor Les Sibley
Councillor Roz Smith

Non-voting Members: Dr Geoff Jones

By Invitation: Janet Dawson, Ernst & Young

Officers:

Whole of meeting Sarah Cox, Chief Internal Auditor; Ian Dyson, Assistant Chief Finance Officer (Assurance); Colm Ó Caomhánaigh, Committee Secretary

Part of meeting

Agenda Item

	Officer Attending
5	Kate Davies, Team Leader Trading Standards; Russell Sharland, Tobacco Control Officer; Simon Mitchell, Enforcement Officer
6	Robin Rogers, Strategy Manager; Steven Fairhurst Jones, Corporate Performance and Risk Manager
8 to 14	Lorna Baxter, Director for Finance
8, 9, 10	Nick Graham, Director for Law & Governance and Monitoring Officer
8	Caroline Parker, ICT Information Services Manager
9, 10	Glenn Watson, Principal Governance Officer

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 and reports, copies of which are attached to the signed Minutes.

61/19 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

There were no apologies received.

62/19 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest.

63/19 MINUTES

(Agenda No. 3)

The minutes of the meeting of 17 July 2019 were approved and signed.

With regard to item 51/19, the public address from Fossil-Free Oxfordshire, the Chairman noted that discussions are still on-going and that the Pension Fund Committee needs to work with the wider Brunel Pension Partnership.

With regard to item 57/19, Sarah Cox reported that the £40,000 case referred to in the fourth bullet point is still in the process of referral and is not near court yet.

64/19 SURVEILLANCE COMMISSIONER'S INSPECTION AND REGULATION OF INVESTIGATORY POWERS ACT

(Agenda No. 5)

The report was introduced by Kate Davies, who gave apologies from Richard Webb, Assistant Director Regulatory Services. She summarised the work covered in the report regarding covert surveillance which is regulated by the Regulation of Investigatory Powers Act (RIPA). This typically involves sending volunteers to buy illegal items or under-age volunteers to buy age-restricted items. More recently this has included Facebook sales.

Officers responded to Members' questions as follows:

- It must be demonstrated to a judge that the operation is proportionate, necessary and does not infringe anyone's rights.
- While tobacco consumption may be decreasing overall there are pockets where it is still high giving rise to health inequality issues.
- A study was conducted in 2017 which will be repeated to see if any trends can be identified.
- Officers can act without authorisation if a speedy response is required but most operations are well planned.
- Customers may not be aware they are buying counterfeit cigarettes but if packs are smuggled then there is often writing in a foreign language and the purchaser would know that they are illegal.
- Volunteers are not paid. Sometimes they are advised to purchase an extra item to make the transaction appear more normal and they might be allowed to keep the extra item.
- There is a national code of practice for using volunteers including those under-18.

- With regard to vaping there has been no covert surveillance but non-compliant materials have been seized.
- If a phone has been seized permission is needed if officers want to identify numbers stored or called.
- The relationship with HM Revenue and Customs is better than it has ever been. There was a joint operation recently in which a car was seized. They could be better at sharing information but this is an issue nationally. Local police provide support on overt operations too.
- Licencing is the responsibility of the city and district councils but Trading Standards can call for a review and did so four times last year.
- Social media companies can be contacted about illegal activity but the response is often too slow.

RESOLVED to:

- Consider and note the use of activities within the scope of the Regulation of Investigatory Powers Act by the Council, and**
- Note the Policy document at Annex 1 and to comment on any changes to the Policy for Compliance with the Regulation of Investigatory Powers Act 2000 that the committee would wish the Monitoring Officer to consider.**

65/19 DRAFT RISK AND OPPORTUNITIES MANAGEMENT STRATEGY 2019-21

(Agenda No. 6)

Robin Rogers and Steven Fairhurst Jones introduced the report. The last review was in July 2016. This review will go to Cabinet in October. Future reviews are planned to be annual.

Officers responded to points from Members as follows:

- Strictly speaking “risks” can be positive or negative but attention tends to be on the negative. Being clear that this strategy should also include “opportunities” is deliberately aimed at making that point.
- Responsibility lies with champions and Directorate Leadership teams to be a voice in strategic discussions. At operational level managers are responsible with issues escalated if outside the tolerance.
- The action plan would normally be looked at by the Audit Working Group.

Members made the following observations on the draft:

- While “opportunities” has been added to the title, there is more work to be done to reflect this in the text and in future reviews. The Peer Review noted that the Council was too risk averse.
- Members of the committee expressed the view that the Council needed to be bolder in taking managed risks.
- Where talking about “tolerating” a risk (Agenda Page 36), there needs to be clear explanation that tolerating is a managed process.
- Concern was expressed as to whether this was the right time to be less risk averse with investment.

The Chairman noted that the strategy review should come to this Committee annually.

RESOLVED: to comment on the draft Risk and Opportunities Management Strategy, to inform any necessary revisions before Cabinet's consideration on 15 October.

66/19 EXTERNAL AUDITORS

(Agenda No. 7)

Janet Dawson introduced the report. The Committee had already seen the plan, progress and results but here they were presented at a higher level and it brings the Council and Pension Fund together. The auditors expect to meet the submission deadline with the National Audit Office by Friday.

Janet Dawson responded to Members' questions as follows:

- The decision on the Pension Fund objection will be finalised in the next month.
- The risk related to Carillion is due to uncertainty around the counter claims which could be material amounts. Lorna Baxter stated that progress had been slow. Any change would be reflected in the 2019/20 accounts.
- The fees for IAS 19 Work refers to work done for other bodies – for example others involved in the pension fund. This avoids duplication. The relevant amounts are charged on to those bodies.

The Chairman asked that future reports be presented in a much more concise form without unnecessary pictures.

RESOLVED: to note the report.

67/19 INFORMATION GOVERNANCE

(Agenda No. 8)

Nick Graham introduced the report noting that Information Management had a higher profile following the introduction of GDPR. This report aggregates work across the organisation.

Officers responded to Members' questions as follows:

- The Information Governance Board includes senior officers and their deputies and provides scrutiny for the IG Group. They also approve changes to processes and provide guidance for the Data Protection Officer.
- Although GDPR originated from the EU, it will remain in place after Brexit.
- The Council bid for work with OxLEP and charged based on cost. There may be opportunities for further work with them or with schools or Town Councils who would find the regulations daunting.
- All incidents reported to the ICT service are passed on to the Information Management team.

RESOLVED: to note the report.

68/19 LOCAL GOVERNMENT OMBUDSMAN - ANNUAL REVIEW REPORT

(Agenda No. 9)

Nick Graham summarised the report. Although there were two more complaints found against the Council than the previous year, the number is still very low. The Council is always learning from the process. The Extended Leadership Team has a subgroup to draw out lessons.

Councillor Roz Smith asked about the 17 complaints that were referred back to the Council (Agenda Page 77, paragraph 12). Glenn Watson responded that sometimes people go to the Ombudsman before they have exhausted the Council's procedures and the Ombudsman refers them back to the Council. People often do this because they are eager for what they see as a more independent view.

Councillor Paul Buckley asked if more information could be supplied in the report on the complaints so that Members could see if particular processes were not going well. Nick Graham responded that directors would detect where there is a problem in the system and apply the learning.

RESOLVED: to note the report and the Local Government Ombudsman's Annual Review of Oxfordshire County Council for 2018/19.

69/19 MONITORING OFFICER ANNUAL REPORT

(Agenda No. 10)

Nick Graham introduced the report which covers governance issues, complaints against Members, exceptions to the Forward Plan, private meetings and reports and other issues.

Officers responded to Members' questions as follows:

- The proposals being considered by government for stronger sanctions against Members found contravening codes include suspension and deductions from allowances.
- It is not generally necessary to read out the full statement from the agenda declaring a meeting private. It depends on who is present. Once it is made clear to everyone present that the meeting is going into private session and why, that is sufficient.
- The term "space" in paragraph 27 of the report refers to the dynamic between councillors and the public.
- The total of two complaints against Members in the year is fairly typical.

RESOLVED: to endorse the report.

70/19 INTERNAL AUDIT PLAN - PROGRESS REPORT 2019/20

(Agenda No. 11)

Sarah Cox introduced the report. She noted that there would be an assessment of resource issues at the end of November which might result in changes to the plan at that point. Any decision will be on the basis of a risk-based approach.

Councillor Paul Buckley raised a couple of issues under training. Sarah Cox responded that:

- The red rating under training resulted from a Health and Safety audit last year which showed that there was no record of who had not done the training. There is a new Deputy Director of HR on board now and it is expected to resolve this soon.
- e-learning is appropriate in some circumstances. Managers receive class-based training.

Councillor Deborah McIlveen asked that it be clarified when training is for compliance reasons or for professional development.

RESOLVED: to note the progress with the 2019/20 Internal Audit Plan and the outcome of the completed audits.

71/19 AUDIT WORKING GROUP REPORT

(Agenda No. 12)

RESOLVED: to note the report.

72/19 WORK PROGRAMME

(Agenda No. 13)

The Chairman noted that Section 106s would be discussed at the next Audit Working Group meeting on 23 October 2019. He reminded Members of the Committee that they were all entitled to attend and encouraged them to do so for this particularly important item.

The change of date for the September 2020 meeting of the Committee and the work programme were agreed.

73/19 TRANSFORMATION SUB-COMMITTEE

(Agenda No. 14)

It was agreed to circulate to Members of the Committee the Transformation Update dashboard presented at the Sub-committee meeting.

..... in the Chair

Date of signing