

To: Members of the Audit & Governance Committee

Notice of a Meeting of the Audit & Governance Committee

Wednesday, 4 July 2012 at 2.00 pm

County Hall, Oxford, OX1 1ND



Peter G. Clark
County Solicitor

June 2012

Contact Officer: **Geoff Malcolm**
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Membership

Chairman – Councillor David Wilmshurst
Deputy Chairman - Councillor Charles Mathew

Councillors

Roz Smith
Jim Couchman
Roy Darke

Ray Jelf
John Sanders
C.H. Shouler

Lawrie Stratford

Co-optee

Dr Geoff Jones

Notes:

- 12 noon working lunch for all members attending (from 12 to 1:30pm) briefing by County Solicitor & Monitoring Officer to all councillors on registering and declaring interests and the Code of Conduct
- The Cabinet Member for Finance & Property has a standing invitation to attend and speak on agenda items within his portfolio
- The Chairman (or Deputy Chairman) of the Strategy & Partnerships Scrutiny Committee has a standing invitation to attend and speak on agenda items
- Date of next meeting: 19 September 2012

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 Rachel Dunn on (01865) 815279 or Rachel.dunn@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. **Declarations of Interest - see guidance note**
3. **Minutes** (Pages 1 - 8)

To approve the Minutes of the meetings held on 8 May 2012 (**AG3(a)**) and 15 May 2012 (**AG3(b)**) and to receive information arising from them.

4. **Petitions and Public Address**
5. **Audit Commission - Progress Report**

2:10

Oral update by representatives of the Audit Commission.

The Committee is RECOMMENDED to note the report.

6. **Audit Working Group - 21 June 2012** (Pages 9 - 14)

2:30

Report by Chief Internal Auditor (**AG6**)

The report summarises the matters arising at the most recent meeting of the Audit Working Group (AWG).

The Committee is RECOMMENDED to:

- a) *note the report;*
- b) *nominate two named substitutes to deputise for Cllr. Wilmshurst and Cllr. Matthew on the AWG when required;*
- c) *receive a report detailing the process from which the Audit and Governance Committee can get assurance that external inspection reports are being properly considered and actioned; and*
- d) *receive the full report produced by Zurich on the conclusion of the health check review on risk management.*

7. Annual Report of the Chief Internal Auditor 2011/12 (Pages 15 - 42)

2:50

Report by Chief Internal Auditors (**AU7**).

The annual report summarises the Internal Audit activity in 2011/12, and in accordance with the requirements of the Accounts and Audit Regulations 2011, and the CIPFA Code of Practice for Internal Audit in Local Government 2006, gives an opinion on the council's system of internal control. This opinion is part of the assurance framework used to inform the Annual Governance Statement.

The Committee is RECOMMENDED to note the report.

8. Internal Audit Plan - 2012/13 Progress Report and Quarter 2 Plan (Pages 43 - 56)

3:10

Report by Chief Internal Auditor (**AG8**)

The Committee is RECOMMENDED to approve the report.

9. Treasury Management 2011/12 Outturn (Pages 57 - 76)

3:30

Report by Assistant Chief Executive & Chief Finance Officer (**AU9**)

The report sets out the Treasury Management activity undertaken in the financial year 2011/12 in compliance with the CIPFA Code of Practice. The report includes Debt and Investment activity, Prudential Indicator Outturn, changes in Strategy and interest receivable and payable for the financial year.

The Committee is RECOMMENDED to consider the report prior to Cabinet.

10. Statement of Accounts 2011/12 (Pages 77 - 282)

3:50

Report by Assistant Chief Executive and Chief Finance Officer (**AG10**)

The report presents the 2011/12 Statement of Accounts.

The Accounts and Audit Regulations 2011 require the Assistant Chief Executive and Chief Finance Officer to sign the Statement of Accounts no later than 30 June, and certify that they give a true and fair view of the County Council's position. This report

presents the accounts certified by the Chief Finance Officer to the Audit Committee for information, before the start of the public inspection period and the commencement of the audit. The Audit Committee will be asked to consider and approve the accounts at its meeting on 19 September, when the findings of the audit are available.

The 2011/12 Statement of Accounts is attached at Annex 1. An overview of the financial position of the Council at 31 March 2012 is contained in the explanatory foreword.

The Committee is RECOMMENDED to:

- a) ***note the Statement of Accounts for 2011/12 to be submitted to the auditor; and***
- b) ***note the Summary Accounts 2011/12.***

11. Annual Governance Statement 2011/12 (Pages 283 - 302)

4:10

The Monitoring Officer reports as follows:

The County Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. Corporate governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations.

This Statement (**AG11**) explains how the County Council has complied with the Code in 2011/12 and also meets the requirements of the Accounts and Audit Regulations 2011 in relation to the publication of an Annual Governance Statement. For the first time, and consistent with the requirements of the Code of Practice on Local Authority Accounting 2011/12 this includes a specific statement on whether the authority's financial management arrangements conform with the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). As well as setting out current governance arrangements, the Statement includes an update on actions identified at the end of 2010/11 and new actions to be followed up in 2012/13.

The Committee is RECOMMENDED to approve the Annual Governance Statement 2011/2012, subject to the County Solicitor & Monitoring Officer, following consultation with the Leader of the Council, Chief Executive and Section 151 Officer, making any necessary amendments in the light of comments made by the Committee.

12. Dispensations - Members' Interests (Pages 303 - 306)

4:30

Report by County Solicitor & Monitoring Officer (**AU12**)

At the meeting of Council on 15 May, it was agreed that the terms of reference of this Committee be widened to include certain responsibilities previously undertaken by the Standards Committee. One of these is the responsibility "to grant dispensations to councillors and co-opted members from requirements relating to interests set out in the code of conduct for members".

This report sets out potential arrangements for dealing with such instances and which are consistent with both the Council's code of conduct for members and the Localism Act 2011 (and associated regulations).

The Committee is RECOMMENDED:

- (a) ***to note the changes outlined in this report to the regime for granting dispensations to members and co-opted members with disclosable pecuniary interests;***
- (b) ***to consider delegating to the Monitoring Officer consideration of requests for dispensation occurring within the circumstances at paragraphs 7(a), (b) and (d) above, with a subsequent right of appeal to this Committee;***
- (c) ***to consider whether to appoint a sub-committee for considering applications for dispensation not otherwise delegated to the Monitoring Officer and if so to consider adopting the terms of reference outlined in paragraph 10 (a) – (e).***

13. Audit Committee Work Programme 2012/13 (Pages 307 - 308)

4:50

To review / update the Committee's Work Programme (**AG13**).

4:55 Close of meeting.

An explanation of abbreviations and acronyms is available on request from the Assistant Head of Finance (Audit).

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **Thursday 28 June 2012 at 2pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.