

To: Members of the Audit & Governance Committee

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

**Wednesday, 17 April 2013 at 2.00 pm**

**County Hall, Oxford, OX1 1ND**

*Peter G. Clark.*

Peter G. Clark  
County Solicitor

April 2013

Contact Officer: **Deborah Miller**  
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### **Membership**

Chairman – Councillor David Wilmshurst  
Deputy Chairman - Councillor Charles Mathew

#### *Councillors*

Roz Smith  
Jim Couchman  
Roy Darke

Ray Jelf  
Caroline Newton  
Larry Sanders

Lawrie Stratford

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#### *Co-optee*

Dr Geoff Jones

#### **Notes:**

- **Date of next meeting: 3 July 2013;**
- **Members are asked to note that from 1:00-2:00 pm on 17 April (i.e. pre the Audit Committee meeting) there will be a special AWG meeting, dedicated to a private meeting with the External Auditors (1:00 - 1:30), followed by a private meeting with the Chief Internal Auditor.**
- **All members of the Audit & Governance Committee are invited to attend - please note on this occasion this is not an extended invitation to all members as this is not a briefing/development session.**

## 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](mailto: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. **Declaration of Interests - see guidance note**
3. **Minutes (Pages 1 - 8)**

To approve the minutes of the meeting held on 16 January 2013 (**AG3**) and to receive information arising from them.

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

### **EXEMPT ITEM**

#### **Item 5**

It is **RECOMMENDED** that the public be excluded for the duration of item 5 in the Agenda since it is likely that if they were present during that item there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the item in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in exemption outweighs the public interest in disclosing the information.

**THE REPORT TO THE ITEM 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 AND THE FINANCIAL RISK TO THE COUNCIL IF THE CONTENTS ARE DISCLOSED.**

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

## 5. **Report of the Audit Working Group - AWG3 The Future of Adult Social Care in Oxfordshire (Pages 9 - 32)**

**2:10**

Report by the Chief Internal Auditor (**AG5**).

*The information contained in the report and annex is exempt in that it falls within the following prescribed category:*

*3 – information relating to the financial or business affairs of any particular person*

*(including the authority holding that information)*

*It is considered that in this case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would distort the proper process of the transaction and the Council's standing generally in relation to such transactions in future, to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.*

This is the report of the Audit Working Group meeting on 4 April 2013. It sets out the matters for reporting to the Audit & Governance Committee relating to the Item AWG3 "The Future of Adult Social Care"

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

- (a) task the Audit Working Group with reviewing the detailed improvement plan at the meeting on 20 June 2013;***
- (b) receive regular updates on progress with the implementation plan;***
- (c) task the Audit Working Group with receiving regular briefings on the design of new systems and procedures arising from the implementation of the improvement plan.***

## **6. Audit Working Group Report (Pages 33 - 38)**

**2:30**

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

The report summarises the matters arising at the meetings of Audit Working Group on 14 February and 4 April 2013.

***The Committee is RECOMMENDED to note the reports and approve the Audit Working Group terms of reference.***

## **7. Ernst & Young External Auditors (Pages 39 - 84)**

**2:50**

A representative of Ernst & Young will attend for these items

- Oxfordshire County Council Audit Plan Year End 2013 (**AG7(a)**)
- Oxfordshire County Council Pension Fund Audit Plan Year End 2013 (**AG7(b)**)
- Oxfordshire County Council and Oxfordshire County Council Pension Fund Audit Progress Reports (**AG7(c)**);
- Ernst and Young Letter to Those Charged with Governance (**AG7(d)**).

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

**8. Internal Audit Services - Internal Audit Strategy & Annual Plan 2013/14 (Pages 85 - 100)**

**3:10**

This report sets out the Internal Audit Strategy, including the resources available and how the service will be delivered in 2013/14. Work plans will be prepared on a quarterly basis and will be presented to the Audit Committee for approval. The work plan for Q1 is attached as an Appendix to the report.

***The Committee is RECOMMENDED to approve the Internal Audit Strategy and the Q1 Work Plan.***

**9. Review of the Effectiveness of the system of Internal Audit (Pages 101 - 110)**

**3:30**

Report by the Monitoring Officer (**AG9**)

This report provides a commentary on the performance of the Internal Audit system throughout 2012/13, and will be used as a source of evidence when compiling the Annual Governance Statement.

***The Committee is RECOMMENDED to approve the Monitoring Officer's assessment of the effectiveness of the system of Internal Audit 2012/13.***

**10. Risk Management Framework (Pages 111 - 136)**

**3:50**

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

The report sets out a proposal for a Risk Management Framework to be adopted across Oxfordshire County Council.

The Council have implemented a risk management process that is well implemented and widely used. Last year, Zurich carried out a health check on our processes and procedures. Included in the report were recommendations to refresh the corporate strategy and to further embed risk management, together with business management and monitoring, across the organisation.

The refreshed Risk Management Framework sets out how the Council will continue to mature and embed its risk management approach.

***The Audit & Governance Committee is RECOMMENDED to agree the draft Risk Management Framework for use across Oxfordshire County Council.***

## **11. Procure to Pay Project - Update**

**4:10**

Officers will provide the Committee with a progress report on the management actions arising out of last year's unacceptable procure to pay audit report. These actions were included in the Purchasing Improvement Project run with the support of external consultants CMC, which was due to conclude at the end of March. This progress report will highlight key issues arising during the project, the work still outstanding and revised timescales for its completion. The format of future monitoring reports, including targets where currently set, will be available, alongside a commentary as to the achievability of these targets against the September 2013 deadline.

*The Committee is RECOMMENDED to note the report.*

## **12. Audit Committee - Draft Work Programme 2013/14 (Pages 137 - 140)**

**4:30**

To review/update the Committee's Work Programme (**AG12**).

## **CLOSE OF MEETING**

**4:40**

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### **Pre-Meeting Briefing**

There will be a pre-meeting briefing at County Hall on Tuesday 11 April 2013 at 2.00 pm for the Chairman, Deputy Chairman and Opposition Group Spokesman.