



To: Members of the Audit & Governance Committee

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

Wednesday, 3 July 2013 at 1.00 pm

County Hall, Oxford, OX1 1ND

Peter G. Clark.

Peter G. Clark
County Solicitor

June 2013

Contact Officer:

Deborah Miller

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Membership

Chairman – Councillor David Wilmshurst
Deputy Chairman - Councillor Charles Mathew

Councillors

Surinder Dhesi
Janet Godden
Sandy Lovatt

Caroline Newton
Susanna Pressel
Roz Smith

Lawrie Stratford

Co-optee

Dr Geoff Jones

Notes:

- **Date of next meeting: 18 September 2013**

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. **Declaration of Interests - see guidance note**
3. **Minutes** (Pages 1 - 10)

To approve the minutes of the meetings held on 17 April 2013 and 14 May 2013 (**AG3**) and to receive information arising from them.

4. **Petitions and Public Address**
5. **Annual Governance Statement 2012/13** (Pages 11 - 34)

2.10

The County Solicitor & 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 (**AG5**) explains how the County Council has complied with the Code in 2012/13. It satisfies the requirement to produce an Annual Governance Statement in the Accounts and Audit Regulations 2011.

For the first time, in line with the December 2012 Addendum to CIPFA guidance the Statement mentions our arrangements for the head of paid service and the monitoring officer and has an explicit review of effectiveness. The separate statement of assurance needed by the Fire and Rescue service is also mentioned.

The Statement includes an update on actions identified last year to be carried out during 2012/13 and new actions to be followed up in 2013/14.

The Committee is RECOMMENDED to approve the Annual Governance Statement 2012/13, subject to the County Solicitor & Monitoring Officer, 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.

6. Examining Links with Performance Scrutiny Committee

2.30

Report by the County Solicitor & Monitoring Officer (**AG6**) (**REPORT TO FOLLOW**)

The governance review undertaken by the Council and approved on the 2 April made changes to the decision making structure of the Council. One of these changes was a restructuring of the Council's scrutiny committee arrangements.

This Committee had asked for a report setting out some options for establishing a working relationship between the Audit & Governance Committee and the newly formed Performance Scrutiny Committee. This is important because both Committees rightly contain in their terms of reference aspects of performance management of the Council. This report therefore sets out some options based on a consideration of each committees' roles and responsibilities.

7. Annual Report of the Monitoring Officer (Pages 35 - 46)

2.50

Report by the Monitoring Officer (**AG7**)

The Audit & Governance Committee has taken over certain responsibilities from the Council's former Standards Committee with regard to the governance and standards of conduct for elected and co-opted members. Consequently, the Monitoring Officer will report annually to this Committee on actions and issues in that regard that have occurred in the previous year. This report therefore summarises certain activities for the year 2012/13 and uses, as a guide, the terms of reference that crossed over from the former Standards Committee to this.

The Committee is RECOMMENDED to consider and endorse the report.

8. Annual Report of the Chief Internal Auditor 2012/13 (Pages 47 - 122)

3.10

Report by Chief Internal Auditors (**AU8**).

The Chief Internal Auditors annual report summarises the Internal Audit activity in 2012/13, 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.

9. Statement of Accounts 2012/13 (Pages 123 - 330)

3.30

Report by Assistant Chief Executive & Chief Finance Officer (**AG9**)

The report presents the 2012/13 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 & Governance Committee for information, before the start of the public inspection period and the commencement of the audit. The Audit & Governance Committee will be asked to consider and approve the accounts at its meeting on 18 September 2013, when the findings of the audit are available.

The 2012/13 Statement of Accounts is attached at Annex 1. An overview of the financial position of the Council at 31 March 2013 is contained in the explanatory foreword.

The Committee is RECOMMENDED to:

- a) note the Statement of Accounts for 2012/13 to be submitted to the auditor; and***
- b) note the Summary Accounts 2012/13.***

10. Treasury Management Outturn 2012/13 (Pages 331 - 350)

4.00

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

The report sets out the Treasury Management activity undertaken in the financial year 2012/13 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 note the report, and to RECOMMEND Council to note the Council's Treasury Management Activity in 2012/13.

11. Audit Working Group Report (Pages 351 - 354)

4.20

Report by the Chief Internal Auditor (**AG11**).

The report summarises the matters arising at the meeting of the Audit Working Group on 20 June 2013.

The Committee is RECOMMENDED to note the report.

12. Ernst & Young - Progress Report (Pages 355 - 374)

4.40

A representative of Ernst & Young will give a verbal update on current issues and be available to answer questions on the following reports:

- Oxfordshire County Council 2013/14 fee letter (**AG12(a)**);
- Oxfordshire County Council Pension Fund 2013/14 fee letter (**AG12(b)**);
- Local Government Sector Update Report (**AG12(c)**).

The Committee is RECOMMENDED to note the reports.

13. Regulation of Investigatory Powers Act Annual Review 2013 (Pages 375 - 386)

5.00

Report by the Director for Social & Community Services (**AG13**)

The Regulation of Investigatory Powers Act 2000 ('the Act') regulates the use of covert activities by Local Authorities. It creates the statutory framework by which covert surveillance activities may be lawfully undertaken. Special authorisation arrangements need to be put in place whenever a Local Authority considers commencing covert surveillance or considers obtaining information by the use of informants or officers acting in an undercover capacity.

Codes of Practice issued under the Act provide guidance to authorities on the use of the Act. The Code of Practice relating to covert surveillance specifies that elected members should review the authority's use of the Act and set the policy at least once a year. They should also consider internal reports on the use of the Act periodically.

This report provides an overview of the use of activities falling within the scope of the Regulation of Investigatory Powers Act 2000 by Oxfordshire County Council in the period from April 2012 to March 2013. The report also provides an overview of the Authority's Policy and the full policy is provided as an Annex for members to review.

The Committee is RECOMMENDED to consider and note the periodic and annual use of Regulation of Investigatory Powers Act by Oxfordshire County Council.

14. Internal Audit Pan - 2013/14 Progress Report and Quarter Plan 2
(Pages 387 - 402)

5.20

This report presents the Internal Audit progress report for 2013/14 and Quarter 2 Plan for the approval of the Audit & Governance Committee (**AG14**).

The Committee is RECOMMENDED to approve the Q2 and Counter-fraud plans.

CLOSE OF MEETING

5.40

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **27 June 2013** at **2.00 pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.