



To: **Members of the Audit & Governance Committee**

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

Wednesday, 15 January 2014 at 2.00 pm

County Hall, Oxford, OX1 1ND

Peter G. Clark.

Peter G. Clark
County Solicitor

January 2014

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Membership

Chairman – Councillor David Wilmshurst
Deputy Chairman - Councillor Charles Mathew

Councillors

Surinder Dhesi
Janet Godden
Sandy Lovatt

Stewart Lilly**
Susanna Pressel
Roz Smith

Lawrie Stratford

** Substituting for Councillor Caroline Newton

Co-optee: Dr Geoff Jones

Notes:

- ***Members are asked to note that from 1:00-2:00 pm on 15 January (i.e. pre the Audit & Governance Committee meeting) there will be a special development session on "Role of Corporate Lead for Risk Management". The responsibility of the Chief Internal Auditor for being the corporate lead on the Risk Management process, the links to Assurance, the role of Internal Audit and the responsibility for reporting on Risk Management to the Committee through Audit Working Group, will be covered.***

All members of the Audit & Governance Committee are invited to attend, along with all members who may be interested.
- ***Date of next meeting: 26 February 2014***

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 - 6)

To approve the minutes of the meeting held on 20 November 2013 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

5. Treasury Management Strategy 2014/15 (Pages 7 - 42)

2.10pm

Report by Lorna Baxter, Chief Finance Officer (or relevant officer) (**AG5**).

Treasury management is the management of the council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Local Government Act 2003 requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Council is also required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Audit & Governance Committee is responsible for scrutiny of the Treasury Management strategy and policies in advance of the report being approved by Cabinet then Council.

The draft Treasury Management Strategy Statement and Annual Investment Strategy for 2014/15 are set out in within the report.

When the report is considered by Cabinet on 28 January 2014 it will be RECOMMENDED to recommend to Council to:

- (a) *approve the Prudential Indicators for 2014/15, 2015/16 and 2016/17 as set out in Annex 1;***

- (b) **approve the Minimum Revenue Provision Policy for 2014/15 as set out in Annex 2;**
- (c) **approve the Treasury Management Strategy Statement & Annual Investment Strategy 2014/15;**
- (d) **continue to delegate the authority to withdraw or advance additional funds to/from external fund managers to the TMST;**
- (e) **approve the continued delegation of changes required to the Annual Treasury Management Strategy Statement & Annual Investment Strategy to the Chief Finance Officer in consultation with the Leader of the Council and Cabinet Member for Finance;**
- (f) **approve the Draft Treasury Management Policy Statement as set out at Annex 5.**

6. Internal Audit Plan - 2013/14 (Progress Report and Quarter 4 Plan)
(Pages 43 - 82)

2.30pm

This report presents the Internal Audit progress report for 2013/14 and Quarter 4 Plan for the approval of the Audit & Governance Committee **(AG6)**.

The Committee is RECOMMENDED to note the report and approve the Q4 plan.

7. Review of the Corporate Governance Framework (Pages 83 - 102)

2.50pm

Report by Peter Clark, County Solicitor & Monitoring Officer and David Illingworth, Senior Financial Adviser **(AG7)**.

The Council needs to have a good system of Governance - so that how we consider and take decisions is clear to everyone. The paper sets out the progress on improving our governance arrangements. It also updates one key document that is part of our governance system.

The Committee is RECOMMENDED to approve the Corporate Governance Assurance Framework.

8. New Guidance on Members Interests (Pages 103 - 126)

3.10pm

Report by Peter Clark, County Solicitor and Monitoring Officer, presented by Glenn Watson, Principal Governance Officer **(AG8)**.

The Committee is RECOMMENDED to make no changes to the current Oxfordshire Members' Code of Conduct at this time.

9. Review of the Process for Reporting on the Effectiveness of the System of Internal Audit

3.30pm

The Monitoring Officer will undertake a survey of the extended CCMT about the Internal Audit Service. This will be used to inform the annual report prepared by the Monitoring Officer on the effectiveness of the system of Internal Audit that in turn contributes to the Annual Governance Statement process.

In addition the Monitoring Officer will also be seeking evidence that the Internal Audit Service conforms to the proper practice standards for Internal Audit introduced in April 2013, the Public Sector Internal Audit Standards. The Chief Internal Auditor will initially undertake a self-assessment against those standards, and will present the findings and improvement plan for review by the Monitoring Officer. The Monitoring Officer will provide a report on his findings to the April meeting.

Verbal update to Committee by Ian Dyson, Chief Internal Auditor.

10. Audit & Governance Committee - Draft Work Programme 2014/15
(Pages 127 - 128)

3.50pm

To review / update the Committee's Work Programme (Co-ordinated by Committee officer in consultation with relevant directorate officers) **(AG10)**

CLOSE OF MEETING

4.00pm

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **Thursday, 9 January 2014** at **2.00pm, Meeting Room 1** for the Chairman, Deputy Chairman and Opposition Group Spokesman.