

To: Members of the Audit & Governance Committee

Notice of a Meeting of the Audit & Governance Committee

Wednesday, 2 July 2014 at 2.00 pm in Meeting Rooms 1 & 2

County Hall, Oxford, OX1 1ND

Peter G. Clark.

Peter G. Clark
County Solicitor

June 2014

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Membership

Chairman – Councillor David Wilmshurst
Deputy Chairman -

Councillors

David Bartholomew
Surinder Dhesi
Tim Hallchurch MBE

Jenny Hannaby
Nick Hards
Sandy Lovatt

Roz Smith
Lawrie Stratford

Co-optee

Dr Geoff Jones

Notes:

- ***Members are asked to note that from 1.00 – 2.00 pm on Wednesday, 2 July 2014 (i.e. pre the Audit & Governance Committee Meeting) there will be a Partnership Landscape Briefing for all members of the County Council and in particular all members of the Audit & Governance Scrutiny Committee. The briefing will be held in Meeting Rooms 1&2.***
- ***Date of next meeting: 17 September 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. **Election to Chairman for the current Council Year**
2. **Election to Deputy Chairman for the current Council Year**
3. **Apologies for Absence and Temporary Appointments**
4. **Declaration of Interests - see guidance note**
5. **Minutes (Pages 1 - 8)**

To approve the minutes of the meeting held on 23 April 2014 (**AG5**) and to receive information arising from them.

6. **Petitions and Public Address**
7. **Treasury Management Outturn 2013/14 (Pages 9 - 28)**

2.10

Report by the Chief Finance Officer (**AG7**)

The report sets out the Treasury Management activity undertaken in the financial year 2013/14 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 2013/14.

8. **Annual Report of the Monitoring Officer (Pages 29 - 42)**

2.30

Report by the Monitoring Officer (**AG8**).

The Audit & Governance Committee is responsible for promoting standards of conduct for elected councillors and co-opted members. Consequently, the Monitoring Officer reports annually to this Committee on relevant actions and issues that have occurred in the previous year. This report therefore summarises certain activities for the year 2013/14.

The Committee is RECOMMENDED to consider and endorse the report.

9. Annual Report of the Chief Internal Auditor 2013/14 (Pages 43 - 110)

2.50

Report by the Chief Internal Auditor (**AG9**).

This is the annual report of the Chief Internal Audit, summarising the outcome of the Internal Audit work in 2013/14, and providing an opinion on the Council's System of Internal Control. The opinion is one of the sources of assurance for the Annual Governance Statement.

The Committee is RECOMMENDED to consider and endorse the report.

10. Review of Effectiveness of Internal Audit (Pages 111 - 122)

3.10

Report by the Monitoring Officer (**AG10**).

This report provides a commentary on the effectiveness of Internal Audit in 2013/14, and will be used as a source of evidence for the Annual Governance Statement.

The Committee is RECOMMENDED to approve the Monitoring Officer's assessment of the effectiveness of the system of Internal Audit 2013/14.

11. Statement of Accounts 2013/14 (Pages 123 - 334)

3.30

Report by the Chief Finance Officer (**AG11**).

The Accounts and Audit Regulations 2011 require the 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 17 September 2014, when the findings of the audit are available.

The 2013/14 Statement of Accounts is attached at Annex 1. An overview of the financial position of the Council at 31 March 2014 is contained in the explanatory foreword. A simplified summary of the accounts is attached at Annex 2.

The Committee is RECOMMENDED to:

- (a) note the Statement of Accounts for 2013/14 to be submitted to the auditor;***
and
- (b) note the Summary Accounts 2013/14.***

12. Annual Governance Statement 2013/2014 (Pages 335 - 360)

3.50

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 (**AG12**) explains how the County Council has complied with the Code in 2013/14. It satisfies the requirement to produce an Annual Governance Statement in the Accounts and Audit Regulations 2011.

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 2013/14 and new actions to be followed up in 2014/15.

The Committee is RECOMMENDED to approve the Annual Governance Statement 2013/14, 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.

13. Fire & Rescue Service Statement of Assurance 2013-14 (Pages 361 - 390)

4.10

Report by the Chief Fire Officer (**AG13**).

The Fire and Rescue National Framework for England (the Framework) sets out a requirement for fire and rescue authorities to provide an annual statement of assurance on financial, governance and operational matters and to show how they have due regard to the requirements of the Framework and the expectations set out in authorities' own integrated risk management plans. To demonstrate this, the Framework requires that each authority must publish an annual statement of assurance.

The Statement of Assurance 2013/14 document is intended to meet the obligation to produce this statement through reference to public webpages, existing reports and documents. The report was prepared following the Department for Communities and Local Government guidance on statements of assurance for fire and rescue authorities in England. The structure of the report was based on guidance contained in Chief Fire Officers Association (CFOA) Circular 2013-10 appendix - draft table of contents statement of assurance. The statement of assurance is intended to be published on the public website only, it is not intended to produce hard copy versions. The OCC Annual Governance Statement 2013/14 makes reference to the statement of assurance and

provides a link to the web address. The statement of assurance should be signed on behalf of Oxfordshire County Council by Councillor Louise Chapman, Cabinet Member with responsibility for the fire and rescue service.

The Audit & Governance Committee is asked to consider the Statement of Assurance 2013/14 for approval.

14. Ernst & Young - Progress Report (Pages 391 - 412)

4.30

A representative of Ernst & Young will attend for the following items:

Oxfordshire County Council Progress Report July 2014 (**AG14**).
Local Government Audit Briefing, including Key Questions (**AG14**).

The Committee is RECOMMENDED to note the reports.

15. Report from the Audit Working Group (Pages 413 - 416)

4.50

Report by the Chief Internal Auditor (**AG15**).

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.

CLOSE OF MEETING

5.10

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **26 June 2014 at 2.00 pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.