



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

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

**Wednesday, 16 September 2015 at 1.00 pm**

**Rooms 1 & 2, County Hall, Oxford, OX1 1ND**

*Peter G. Clark.*

Peter G. Clark  
County Solicitor

September 2015

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**Membership**

Chairman – Councillor David Wilmshurst  
Deputy Chairman - Councillor Sandy Lovatt

**Councillors**

David Bartholomew  
Yvonne Constance OBE  
Tim Hallchurch MBE

Jenny Hannaby  
Nick Hards  
Roz Smith

John Tanner

**Co-optee**

Dr Geoff Jones

**Notes:**

- **Date of next meeting: 18 November 2015**

## 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 Glenn Watson on (01865) 815270 or [glenn.watson@oxfordshire.gov.uk](mailto:glenn.watson@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 meeting held on Wednesday, 8 July 2015 (**AG3**) and to receive information arising from them.

## 4. Petitions and Public Address

## 5. Final Accounts 2014/15 (Pages 11 - 34)

1:10

The Accounts and Audit Regulations 2011 require the Statement of Accounts 2014/15 to be considered by a committee of the Council by 30 September 2015 and, following that consideration, to be approved by a resolution of that committee. The regulations also require that, following approval, the Statement of Accounts is signed and dated by the chairman of the committee approving the accounts. The Chief Finance Officer must re-certify the Statement of Accounts before the committee approves it.

The Statement of Accounts presented for the Audit & Governance Committee's approval reflects minor amendments made following the audit of the accounts. Ernst & Young LLP's annual governance reports set out that no audit issues have been identified as yet during the course of the audit of the main accounts or the Pension Fund accounts. Small changes to some of the disclosure notes have been agreed with the auditors, however these are not significant enough to be reported in their annual governance reports. There are no changes to the main financial statements.

Given the minor nature of the changes that have been made to the accounts, the final version has not been included with the agenda papers. Members should refer to the draft version presented to the Audit & Governance Committee on 8 July 2015 available on the council's website. The changes that have been made are set out in the report (**AG5**).

### RECOMMENDATION

The Committee is RECOMMENDED to:

- (i) Consider and approve the Statement of Accounts for 2014/15 presented to the Committee on 8 July 2015 with the minor amendments as set out;
- (ii) Consider and approve the Annual Governance Statement presented to the

Committee on 8 July 2015 with the minor amendments as set out;

- (iii) Consider and approve the Letter of Representation 2014/15 for the Oxfordshire County Council accounts;
- (iv) Consider and approve the Letter of Representation 2014/15 for the Oxfordshire Pension Fund accounts.

## 6. Ernst & Young - Annual Results

1:30

Report to follow.

## 7. Local Government Ombudsman's Review of Oxfordshire County Council (Pages 35 - 48)

1:50

Each year, the Local Government Ombudsman (LGO) issues an Annual Review Report about each council in relation to the complaints made to the Ombudsman about that Council in the previous financial year. My report (**AG7**) to this Committee therefore informs members about the LGO's Annual Review Report for Oxfordshire County Council for the year 2014/15.

In previous years, the Ombudsman issued more detailed Annual Reports with a commentary on each authority's performance. Following changes to the LGO's investigations procedures, this is no longer the case.

However, these figures, in comparison with other information published separately by the Ombudsman for all authorities, demonstrate that the Council's system of control as expressed through the Council's engagement with the Ombudsman is working well.

### RECOMMENDATION

*The Committee is **RECOMMENDED** to note and comment upon this report and on the Local Government Ombudsman's Annual Review of Oxfordshire County Council for 2014/15.*

## 8. Internal Audit 2015/16 Progress Report (Pages 49 - 66)

2:10

This report (**AG8**) presents the Internal Audit progress report for 2015/16.

### RECOMMENDATION

*The committee is **RECOMMENDED** to approve the Q3 Internal Audit Plan.*

**9. Report on the Authority's Policy for compliance with the Regulation of Investigatory Powers Act 2000 and use of activities within the scope of this Act (Pages 67 - 78)**

2:30

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 paper (**AG9**) 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 2014 to March 2015. The report also provides an overview of the authority's Policy and the full policy is provided as an annex for committee members to review.

**RECOMMENDATION**

***The Committee is RECOMMENDED to consider and note the periodic and annual use of RIPA by Oxfordshire County Council.***

**10. Governance Arrangements (Pages 79 - 82)**

2:50

As a result of the current Chief Executive leaving the Council at the end of September 2015, the Committee at its last meeting asked for assurance that the Council's corporate governance arrangements would continue to be fully managed.

This followed the Council's intention to appoint Mr Peter Clark as the Head of Paid Service and, consequently, to appoint Mr Nick Graham as the Council's Monitoring Officer with effect from the cessation of the current Chief Executive's employment with the Council.

This report (**AG10**) sets out the planned arrangements to give appropriate assurance to the Committee as to how the corporate governance framework is to be maintained and the management arrangements that will be put in place going forward.

**RECOMMENDATION**

*The Committee is RECOMMENDED to comment on and note the limited amendments to senior officer responsibilities for governance outlined in paragraph 10 of this report.*

## **11. County Returning Officer Appointment (Pages 83 - 84)**

3:10

**(AG11)**

As a result of the current Chief Executive leaving the Council at the end of September 2015, it is a legal requirement for the Council to appoint a new County Returning Officer.

The Council is required to appoint a County Returning Officer under Section 35(1) of the Representation of the People Act 1983. The Returning Officer is responsible for the arrangement of elections to the County Council.

Under the Council's Constitution, the Audit & Governance Committee retains delegated responsibility for appointing the Council's Returning Officer and it is for the Committee to appoint a suitably qualified person to fulfil the role.

### **RECOMMENDATION**

*The Committee is RECOMMENDED to appoint Mr Peter Clark, the current Chief Legal Officer, as the County Returning Officer for the Council, with effect from the cessation of the current Chief Executive's employment with the Council.*

## **12. Update on Hampshire Partnership**

3:30

The Chief Finance Officer will provide the Committee with a verbal update on the status of the On Boarding Project in respect of the Partnership arrangement with Hampshire County Council for the provision of HR and Finance Services.

### **RECOMMENDATION**

*The committee is RECOMMENDED to receive the presentation.*

## **13. Report from the Audit Working Group (Pages 85 - 88)**

3:50

Report by the Chief Internal Auditor **(AG13)**.

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

## RECOMMENDATION

*The Committee is RECOMMENDED to note the report.*

### **14. Audit & Governance Committee Work Programme (Pages 89 - 90)**

4:00

To review the Committee's Work Programme (**AG14**).

**Close of meeting**

*An explanation of abbreviations and acronyms is available on request from the Chief Internal Auditor.*

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#### **Pre-Meeting Briefing**

There will be a pre-meeting briefing at County Hall on **Thursday, 10 September** at **11:30** for the Chairman, Deputy Chairman and Opposition Group Spokesman in the Members' Boardroom.

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## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 8 July 2015 commencing at 1.00 pm and finishing at 3.50 pm.

**Present:**

**Voting Members:** Councillor David Wilmshurst – in the Chair

Councillor Sandy Lovatt (Deputy Chairman)

Councillor Yvonne Constance OBE

Councillor Tim Hallchurch MBE

Councillor Jenny Hannaby

Councillor Nick Hards

Councillor Roz Smith

Councillor John Tanner

**Other Members in Attendance:** Councillor Rodney Rose (for Agenda Item 6)

**By Invitation:** Ms Di Rice (Ernst & Young)

**Officers:**

Whole of meeting Lorna Baxter, chief Finance Officer, Ian Dyson, Chief Internal Auditor, Mr Glenn Watson, Principal Governance Officer and Deborah Miller (Chief Executive's Office).

Part of meeting

<b>Agenda Item</b>	<b>Officer Attending</b>
5	John McLauchlan (Environment & Economy),
6	Simon Furlong, Assistant Chief Fire Officer,
12	Kathy Wilcox and Nicola Jackson (Finance).

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.*

#### **40/15 MINUTES**

(Agenda No. 3)

**RESOLVED:** the minutes of the meeting held on 10 June 2015 were approved and signed.

#### **41/15 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**

(Agenda No. 1)

Apologies for absence and temporary appoints were received as follows:

<b>Apology</b>	<b>Substitution</b>
Councillor David Bartholomew	Councillor Stewart Lilly
Dr Geoff Jones	

#### **42/15 ITEM OF URGENT BUSINESS - SENIOR OFFICER APPOINTMENTS**

(Agenda No. )

Under the provisions set out in Section 100B(4) of the Local Government Act 1972 (as amended) the Chairman of the Meeting was of the opinion that this item could be taken as the first item on the Agenda as urgent business due to the need for this Committee to give consideration to the matter prior to it going to Full Council on 14 July 2015.

**RESOLVED:** to add the item as the first item on the Agenda.

The Committee had before it a report outlining the governance implications of the Chief Executive leaving the Council at the end of September. Full Council needed to make appointments to certain statutory roles, in particular that of 'Head of the Paid Service'. Under the Constitution, the Remuneration Committee must make a recommendation to Council as to the person it thinks should be appointed to that role.

On 23 June 2015 the Remuneration Committee recommended the appointment of the Chief Legal Officer, Peter Clark. If Council agreed to make this appointment, then a new Monitoring Officer must also be appointed. This was because the law says that a person can't be appointed as both Head of the Paid Service and Monitoring Officer. Consequently, the Remuneration Committee had also recommended that Nick Graham be appointed as the new Monitoring Officer, if appropriate.

A further role that needed to be appointed was that of County Returning Officer. The Returning Officer oversaw elections to the County Council. Appointments to that role were made by this Committee and so a report on appointing the County Returning Officer would be considered at the September meeting.

As this Committee was responsible for ensuring effective governance across the Council, it was important that it be assured of two things:

- that any new appointment to the role of Monitoring Officer would maintain the level of input and oversight we experience from the current Monitoring Officer
  - Nick Graham was currently also the Deputy Monitoring Officer and was significantly experienced in the range of issues that came before this Committee. There would be no change to the support and advice the Committee currently received.
  - Both Peter Clark and Nick Graham currently attended/chaired various governance boards and management groups, for example Oxfordshire Children Safeguarding Board, Corporate Governance Assurance Group and Information Governance Group as well as others.
- Cabinet would now determine what alternative senior management structure should be put in place across the Council.
  - This would then form part of the budget to be agreed by Full Council in February 2016.
  - This Committee would want to be assured that any review by the Cabinet resulted in strong governance arrangements.
    - At the Remuneration Committee on Monday, the Leader of the Council also expressed his intention that this Committee should be consulted on any draft proposals - so that it could provide Cabinet with commented in relation to audit and governance matters.

During debate, members stressed the importance of the Committee being consulted on matters within its remit at the correct point in the process.

**RESOLVED:** to note that a report on the changes following Senior Officer Appointments would be brought back to the next meeting and AGREED the proposal as put forward by the Leader of the Council that the Committee be consulted on any future draft proposals.

## **43/15 CORPORATE LEAD PRESENTATION**

(Agenda No. 5)

The Audit & Governance Committee had asked to be given presentations from each of the eleven Corporate Leads that provided assurance on an issue for governance purposes during the year so that they could better understand each area, particularly focusing on the assurance process:

- How Corporate Leads assure themselves (and then directors) that things are well within their areas; and
- how Leads decide that issues need to be mentioned for 'Action'; and
- how Leads ensure that their area complies with regulations and the law.

The Committee received a presentation from John McLauchlan, Programme Delivery Manager, who attended to give the Committee the remaining Corporate Lead presentation on Project and Programme Management (a copy of which is attached to the signed Minutes).

Mr McLauchlan outlined the systems and mechanisms to ensure internal control of Project and Programme Management that had been in place throughout 2014/15 as follows:

- The Corporate Project Management Framework had been fully refreshed and published on the intranet to further embed best practice. It identified arrangements and structures for risk management, robust governance and the suitable documentation for a Project or Programme.
- A strengthened Financial Business Case template had been developed and approved by the Commercial Services Board and formal training in Programme Management disciplines had been introduced to strengthen the available existing resource to successfully deliver strategic change.
- All Major Programmes were listed in the overall Directorate Risk Registers and formal reporting into DLTs / Change Boards / the Audit Working Group had been established (as appropriate).
- Issues around governance were pro-actively highlighted to Chief Executive and / or Head of Policy and / or relevant Deputy Director as appropriate.
- Regular (every 2 months) updates of the Major Programmes were taken to the Chief Executive for discussion and challenge.

He further outlined the routes of escalation and Directorate Specific Assurance Measures that were in place and the arrangements that were in place where issues were not resolved within the Directorate (escalation to the Deputy Director (OCS) and also flagged to Chief Executive. Outstanding issues would then be flagged for 'Action' / Attention). He finished by outlining the focus for the future including the Change Board and Agile Working.

The Committee thanked Mr McLauchlan for his informative presentation.

#### **44/15 FIRE & RESCUE SERVICE STATEMENT OF ASSURANCE 2014/15**

(Agenda No. 6)

The Fire and Rescue National Framework for England (the Framework), set 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.

The Committee had before them a report which included an annual statement of assurance in order to meet the obligation to produce the statement through reference to public webpages, existing reports and documents.

Mr Furlong, Assistant Chief Fire Officer in presenting the report confirmed that the report had been prepared following the Department for Communities and Local Government guidance on statements of assurance for fire and rescue authorities in England. He explained that the statement of assurance was intended to be published on the public website only and that it was not intended to produce hard copy versions.

Councillor Rodney Rose welcomed the encouraging report and paid tribute to Oxfordshire's Fire & Rescue Service. The Committee endorsed the comments made by the Cabinet Member. He underlined the importance of keeping the Fire & Rescue Service under the control of Oxfordshire County Council.

In response to questions from members around recruitment and response times, Mr Furlong confirmed that comparative data would be set out in the annual report from the Fire Service, but that attendance times had improved and that this was directly linked to a recent recruitment drive and more flexible working models being developed. Response times however, remained challenging due to the rural nature of the County.

He went on to confirm that a strategy was in place for A34 growth including enhanced rescue vehicles along the A34 and M40 corridor.

**RESOLVED:** to note the Statement of Assurance 2014/15 for approval.

#### **45/15 ANNUAL REPORT OF THE MONITORING OFFICER**

(Agenda No. 7)

The Audit & Governance Committee were responsible for promoting ethical standards of conduct for elected councillors and co-opted members and for ensuring the integrity of the democratic decision-making process. The Committee had before them a report (AG7) which highlighted the progress that had been made in implementing the code of conduct for members and in promoting and maintaining high standards of conduct and public accountability and summarised relevant actions and issues that had occurred in the previous year 2014/15.

Mr Watson introduced the contents of the report and drew attention to work undertaken throughout the year including the overview of arrangements of Standards in Oxfordshire and the county, district and city councils maintaining harmonised codes of conducts; the new complaints process; details on closed sessions, exceptions to the Forward Plan, Scrutiny Call in and the Chief Executives use of delegated powers.

Mr Watson then went on to outlined the number and nature of complaints of breaches of the code, concluding that although the number was very slightly up from last year it still remained low and that very little breach was found.

In relation to paragraph 15 of the report, members expressed the importance of 'lessons being learnt' from the restructure and welcomed the conclusion from the Monitoring Officer in paragraph 18 to the report.

**RESOLVED:** to note and endorse the report.

#### **46/15 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR**

(Agenda No. 8)

The Committee considered the annual report of the Chief Internal Auditor (AG8), which summarised the outcome of the Internal Audit work in 2014/15, and provided

an opinion on the Council's System of Internal Control. The opinion was one of the sources of assurance for the Annual Governance Statement.

Ian Dyson, Chief Internal Auditor, introduced the contents of the report highlighting the overall opinion set out in paragraph 2.2.1 of the report that a reasonable assurance was provided regarding the effective, efficient and economic exercise of the Council's function.

Mr Dyson went onto explain, as also stated last year, that there had been some areas of weakness identified by management and Internal Audit, but that these had all resulted in positive action plans to address them, with appropriate timescales, demonstrating a commitment to maintaining effective governance and internal control. Whilst this was a positive assurance the organisation continued to operate under significant financial pressure, and in a state of continuous change. Governance was strong which provided a good foundation for managing these pressures effectively, but there was an inherent risk to the control framework when capacity within an organisation becomes stretched.

Whilst this opinion was of the whole system of internal control, the level of assurance that could be provided on commissioning and contract management was limited. The Council had introduced a Commercial Board, with a terms of reference to provide oversight and challenge over the performance and governance of the council wide commissioning and contract management activity; however the operations of the Board were not yet sufficient to provide that management assurance; in addition the amendments to the Internal Audit Plan in year had reduced the work undertaken in this area, therefore the level of assurance from the CIA was restricted and could not be considered as a representation across the Council.

There had been 30 audits completed in 2014/15, of which only three resulted in an opinion of with a RAG status of Red (Children's Social Care Management Controls - Transport, ASC IT System and Residential and Home Support Payment Systems).

**RESOLVED:** to note and endorse the report.

#### **47/15 ERNST & YOUNG**

(Agenda No. 9)

The Committee considered the Oxfordshire County Council Progress Report July 2015 (**AG9**); the Oxfordshire Pension Fund Audit Plan (**AG9**) and the Local Government Sector Update, including Questions (**AG9**). Ms Di Rice, Ernst & Young, attended the Committee to present the reports.

The Committee heard that the Oxfordshire County Council Progress Report 2014/15 was presented in order to provide an overview of the timetable that Ernst & Young were proposing for the 2014/15 audit and to ensure that the external audit was aligned with the Committee's expectations.

The Oxfordshire Pension Fund Audit Plan report provided the Committee with a basis to review Ernst & Young's proposed audit approach and the scope for the 2014/15 Pension Fund audit.

The Local Government Sector Update provided information on technical issues relevant to the local government sector and wider issues which may impact on Oxfordshire as an organisation

**RESOLVED:** to note the reports.

#### **48/15 REPORT FROM THE AUDIT WORKING GROUP**

(Agenda No. 10)

The Committee had before them a report by the Chief Internal Auditor (AG10) which summarised the matters arising at the meeting of Audit Working Group on 11 June 2015.

**RESOLVED:** to note the report.

#### **49/15 TREASURY MANAGEMENT OUTTURN 2014/15**

(Agenda No. 11)

The Committee considered a report (AG11) which set out the Treasury Management activity undertaken in the financial year 2014/15 in compliance with the CIPFA Code of Practice. The report included Debt and Investment activity, Prudential Indicator Outturn, Investment Strategy, and interest receivable and payable for the financial year.

Mrs Baxter, Chief Finance Officer introduced the contents of report. She explained that the Council's debt financing position for 2014/15 was shown in Annex 1. No new borrowing was arranged during the year and that £2m of maturing loans were repaid during the year, details of which were set out in annex 2 of the report. In terms of investment activity, despite strong economic growth in the UK, inflation remained low and the Bank of England kept interest rates at historically low levels. This resulted in low rates in the market, providing a challenging environment for investing cash.

For the financial year, the Council achieved an average in-house return of 0.77%, which was 0.03% below the original budgeted rate. This under achievement on rates was offset by higher than forecast cash balances and strong pooled fund distributions, resulting in an overachievement of £470k on the interest receivable budget.

Having reviewed further investment options, in consultation with the council's treasury advisors Arlingclose, the Treasury Management Strategy Team approved decisions to invest in two new pooled funds - The CCLA Local Authorities' Property Fund and the Royal London Cash+ Fund.

The Council continued to limit exposure to banks by lending to local authorities and through the use of pooled funds. Changes to the lending list in year were set out in Annex 3 to the report and the investment portfolio at 31 March was set out in Annex 4.

In terms of prudential indicators, the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy, the position at year-end was set out in Annex 5. Investment performance benchmarking undertaken by Arlingclose was shown in Annex 6. During the year the Council achieved a yield on deposits above the average for all Arlingclose clients, whilst maintaining lower than average credit risk.

Interest payable for 2014/15 was £18.227m, exceeding the budgeted figure in the Medium Term Financial Plan by £46k. The 2014/15 budget for interest receivable was £2.4m, compared with the outturn of £2.87m, including pooled fund distributions, giving a net overachievement of £470k. In addition the accounts recognise an increase in the value of available for sale assets of £1.23m. This comprises short dated bond funds, strategic bond funds and property funds.

**RESOLVED:** to note the report and to **RECOMMEND** Council to note the Council's Treasury Management Activity in 2014/15.

## **50/15 STATEMENT OF ACCOUNTS 2014/15**

(Agenda No. 12)

The Accounts and Audit Regulations 2011 required the Chief Finance Officer to sign the Statement of Accounts no later than 30 June, and certify that they gave a true and fair view of the County Council's position. The Committee had before it a report (AG12) which presented the accounts certified by the Chief Finance Officer to the Committee for information, before the start of the public inspection period and the commencement of the audit. The Committee would then be asked to consider and approve the accounts at its meeting on 16 September 2015, when the findings of the audit were available.

The Statement of Accounts was presented in accordance with the Code of Practice on Local Authority Accounting for 2014/15 and set out how much money the Council had spent on services, what it had invested in capital projects, how it had funded the expenditure and what it owned. The accounts included various adjustments required to give a "true and fair view" of the total cost of providing services, rather than the amount to be funded from taxation.

Mrs Kathy Wilcox, Chief Accountant, presented the contents of the report and highlighted the summary accounts which provided a much simplified version of the accounts. This showed a deficit on the provision of services of just over £92m, which related to a loss on the disposal of assets due to the transfer of school land and buildings to academy trusts for nil consideration.

After removing the effect of adjustments required to be included in the accounts under the Code but not impacting on the council tax and transfers from earmarked reserves, the County Fund Balance increased by £2.8m in 2014/15 as reported to Cabinet in the Provisional Outturn Report on 23 June. The additional balances would be used to support the Medium Term Financial Plan.

The balance sheet provided a snapshot of the financial position of the Council on 31 March 2015. It showed the value of the Council's assets and liabilities and how those were matched by reserves and balances. Net assets held by the council were £90m



at the end of the year. This compared to £271m at the end of 2013/14. The largest element of the decrease in the council's net worth reflected updated financial assumptions provided by the actuary about the council's future pension liability in accordance with IAS19. There was no immediate effect on council tax levels.

Earmarked reserves were £112m at the end of the year. This includes £22m school balances, £44m held by directorates for agreed purposes and £31m capital reserves. Further details about the movement in useable and non – usable reserves was set out in the Movement in Reserves statement on page 155 of the Statement of Accounts.

The Council spent £95.4m on capital schemes during the year including schemes like the Kennington Roundabout improvements, Broadband and improvements to schools.

The main changes the Code of Practice for 2014/15 related to the adoption of new or amended group accounting standards. There was no impact on the accounts as there were no group relationships in 2014/15. For 2015/16 group accounts would be required to show expenditure and income relating to the Local Enterprise Partnership which was incorporated as a company limited by guarantee on 1 April 2015.

The service expenditure analysis for Adult Social Care on page 188 of the accounts had been updated to reflect the new analysis that is required for 2014/15.

In relation to paragraph 15 of the report, members expressed the importance of 'lessons being learnt' from the restructure and welcomed the conclusion from the Monitoring Officer in paragraph 18 to the report.

In response to a question, Mrs Baxter confirmed that the Adult Social Care pressure would be picked up as part of the Resource & Planning process starting in September.

**RESOLVED:** to note the Summary Accounts 2014/15 and the Statement of Accounts for 2014/15 to be submitted to the Auditor.

## **51/15 ANNUAL GOVERNANCE STATEMENT - 2014/15**

(Agenda No. 13)

The County Council had approved and adopted a code of corporate governance which was consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Corporate Governance was 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 was a key determinant of the quality of services provided by organisations. The report before the Committee (AG12) explained how the County Council had complied with the Code in 2014/15. The Statement included an update on actions identified last year that were to be carried out during 2014/15. It also listed new actions for 2015/16.

**RESOLVED:** to approve the Annual Governance Statement 2015/16.

**52/15 UPDATE ON HAMPSHIRE PARTNERSHIP**

(Agenda No. 14)

The Committee had identified the need to monitor the risk, control and governance arrangements in relation to the proposed partnership arrangements with Hampshire County Council. Accordingly Lorna Baxter, Chief Finance Officer had been invited to attend and give a presentation to the Committee on this issue.

The presentation updated the Committee on progress on the 'On Boarding' Project for the partnership arrangements with Hampshire County Council for the provision of HR and Finance Services from 1 July 2015. Mrs Baxter explained that on the 24 the June the partnership board had agreed to delay the go live date to the 13<sup>th</sup> July to ensure maximum accuracy of data as testing issues had taken longer to resolve than expected. The delayed start time had also allowed sufficient time to make additional payments to vulnerable clients, although arrangements had also been put in place to make emergency payments. The project was now on track for the 13<sup>th</sup> July, with confidence testing being carried out over the next few days.

In response to questions, Mrs Baxter confirmed that controls were in place including self-certification and post event checking to ensure there was compliance across the board. Change champions were also to be put in place nearer to the go live date.

**RESOLVED:** to receive the presentation of the Chief Finance Officer and request a further update at the Committee's September Meeting.

**53/15 WORK PROGRAMME**

(Agenda No. 15)

The Committee considered its Work Programme (AG15).

The Committee held a discussion around the need for the Committee to look at when it met and possible new ways of working. The Committee expressed concern over changing the current way of working as Councillor's who were also in employment would find it extremely difficult to attend all day meetings and to attend meetings on Monday mornings. It was agreed that these views go forward to Council when they considered the Committee dates for 2016/17.

**RESOLVED:** to adopt the work programme.

..... in the Chair

Date of signing ..... 2015

## AUDIT & GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015

### FINAL STATEMENT OF ACCOUNTS 2014/15

#### Report by the Chief Finance Officer

#### Introduction

1. The Accounts and Audit Regulations 2011 require the Statement of Accounts 2014/15 to be considered by a committee of the Council by 30 September 2015 and, following that consideration, to be approved by a resolution of that committee. The regulations also require that, following approval, the Statement of Accounts is signed and dated by the chairman of the committee approving the accounts. The Chief Finance Officer must re-certify the Statement of Accounts before the committee approves it.
2. The Statement of Accounts presented for the Audit & Governance Committee's approval reflects minor amendments made following the audit of the accounts. Ernst & Young LLP's annual governance reports set out that no audit issues have been identified as yet during the course of the audit of the main accounts or the Pension Fund accounts. Small changes to some of the disclosure notes have been agreed with the auditors, however these are not significant enough to be reported in their annual governance reports. There are no changes to the main financial statements.
3. Given the minor nature of the changes that have been made to the accounts, the final version has not been included with the agenda papers. Members should refer to the draft version presented to the Audit & Governance Committee on 8 July 2015 available on the council's website. The changes that have been made are set out below.

#### Main Accounts

##### Note 1 Summary of Significant Accounting Policies

4. The note about local authority maintained schools being treated as entities for financial reporting purposes in accordance with IFRS 10 has been moved from the Foreword to the section about Group Accounts. An additional note "Disclosure of Interests in Other Entities" has been added for clarity and explains the council's policy on how expenditure and income relating to 209 maintained schools is reflected in the accounts.
5. Information about the timings for revaluations of property assets that was included in Note 29 'Valuation of non – current assets' has been moved to Note 1 and is now shown in a table for clarity.

##### Note 2 Critical Judgements in applying accounting policies

6. An additional note has been added setting out that where assets are owned by the Council and used by maintained schools (Community Schools and the County's two Foundation Schools), the economic benefits and service potential of the asset is within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing

fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations).

**Note 6 Service Expenditure Analysis**

7. The 2014/15 Service Expenditure Analysis for Adult Social Care and Highways & Transport Services has been amended as set out in Annex 1. The restated 2013/14 analysis for Children's and Education Services has also been corrected. The overall totals for each Service Reporting Code of Practice (SeRCOP) category shown in the Comprehensive Income and Expenditure Statement are unchanged.

**Note 13 Senior Officers' Remuneration**

8. A note has been added setting out that the Director for Social & Community Services is a joint post with Oxfordshire Clinical Commissioning Group (OCCG). Since 1 September 2014 the Director for Social & Community Services has also been Director of Strategy & Transformation for OCCG. Half of the salary and other employee costs shown in the disclosure note are paid by OCCG.

**Note 14 Exit Packages**

9. One exit package has been corrected and as a result has moved from the £100,000 – £149,999 band to the £60,000 – £79,999 band. The total number of exit packages is unchanged.

**Note 30 Private Finance Initiative (PFI) and similar contracts – Homes for Older People**

10. Additional updated text has been added to set out that the council's original 25 year agreement with Oxfordshire Care Partnership (OCP) will end in 2026/27. While the "partnership agreement" will continue there is no requirement for the County Council to purchase a set number / value of beds during the years 2027/28 to 2031/32 other than the obligation of both parties to maintain existing placements as at 31 March 2027. After 2026/27 all services will be purchased as spot contracts and numbers will vary, so there will be no further payments under this service concession arrangement.
11. Because the service concession arrangement ceases at the end of 2027 as a result of the new agreement expenditure relating to 2027/28 has been removed from the future costs as set out below. The overall total of £244.221m correctly reflects the cost up to 2026/27.

Revised table:

<b>2014/15</b>	<b>Service Costs</b>	<b>Principal Repayments</b>	<b>Interest Costs</b>	<b>Lifecycle Replacement Payments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within 1 Year	13,498	795	2,014	702	17,009
2 -5 Years	58,999	3,834	7,403	3,102	73,338
6 - 10 Years	87,510	6,679	7,367	4,628	106,184
11 -15 Years	39,951	3,438	2,181	2,121	47,691
<b>Total</b>	<b>199,957</b>	<b>14,746</b>	<b>18,965</b>	<b>10,553</b>	<b>244,221</b>

Original table:

<b>2014/15</b>	<b>Service Costs</b>	<b>Principal Repayments</b>	<b>Interest Costs</b>	<b>Lifecycle Replacement Payments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within 1 Year	13,498	795	2,014	702	17,009

		AG5			
2 -5 Years	58,999	3,834	7,403	3,102	73,338
6 - 10 Years	87,510	6,679	7,367	4,628	106,184
11 -15 Years	26,238	15,134	3,074	3,245	47,691
<b>Total</b>	<b>186,244</b>	<b>26,442</b>	<b>19,858</b>	<b>11,677</b>	<b>244,221</b>

#### Note 31 Finance Leases

12. An additional note has been added setting out that the council has granted 12 finance leases for nil rentals to schools which have obtained academy status in 2014/15. The value of assets derecognised totals £105m in 2014/15 (£68m in 2013/14). No residual values are held in respect of these assets.

#### Note 63 Material Post Balance Sheet Events

13. An additional note has been added to setting out that since July 2015 the council's transactional human resources, finance and procurement activities have been delivered using self – service tools provided by the Integrated Business Centre (IBC) in partnership with Hampshire County Council.

### **Fire Fighters' Pension Fund Accounts**

14. The July version of the accounts noted that complaints had been made to the Pensions Ombudsman regarding the lack of a review by the Government Actuary of the Firefighters' Pension Scheme 1992 commutation factors between 1998 and 2006.
15. The Pension Ombudsman had considered a test case and issued a final determination upholding the complaint. This means that many firefighters who retired between 1998 and 2006 should have been paid higher lump sums. At that stage it was not possible to calculate the likely cost, so a contingent liability was included in the accounts to reflect the potential additional payments to 34 Oxfordshire pensioners expected to be affected.
16. The Department for Communities & Local Government (DCLG) issued further guidance on 1 September so it is now possible to estimate the total cost. The final detailed calculation is required to be submitted to DCLG by December 2015 with payment of the top – up grant by April 2016. In the meantime the contingent liability will be removed from the accounts and replaced with a provision of £0.750m. On an assumed national basis the estimated cost is expected to be within a range from £0.444m - £0.765m, but based on a sample of Oxfordshire pensioners the actual cost is expected to be at the higher end of the range. This will increase expenditure on "Benefits Payable" shown in the Fund Account by £0.750m and be offset by the equivalent amount of additional top – up grant receivable from DCLG. The net amount payable/receivable for the year remains at zero. The net assets statement will also be amended to show the additional £0.750m Pension top – up grant due and the liability relating to payments due to pensioners will be added to "Other current liabilities". The cash balance is unchanged.

### **Trust Funds**

17. Information about Trust Funds where the council acts as a trustee has been moved to the back of the accounts as an information item only as they are not included in the audit opinion.

### **The Local Government Pension Fund Accounts**

#### Note 6 – Contributions & Note 9 – Benefits

18. There has been a change to the 2014/15 figures due to a reclassification of an employer between Community Admission Bodies and Transferee Admission Bodies. This has no impact on the overall totals shown in the notes. The original and revised tables are shown in Annex 2.

Note 16a – Reconciliation of Movements in Investments and Derivatives

19. The purchases and sales figures for FX have been amended to be shown on a gross basis rather than net. The overall value of Investments and Derivatives as at 31 March 2015 is unchanged. The original and revised table is shown in Annex 2.

Note 24 – Contingent Liabilities

20. The maximum payment figure in the second contingent liability has been amended from £0.180m to £0.160m to reflect that an extra year has passed since the last time the figure was calculated.

Note 27d – Valuation of Financial Instruments Carried at Fair Value

21. Minor changes have been made to the table showing figures as at 31 March 2015 to correct rounding differences.

Note 28 – Risk

22. The Value Decrease figure for Global Equities has been corrected to properly reflect an amendment to the Global Equities category as a result of the decision to reclassify listed private equity under the equities category rather than separately as private equity. The original and revised table is shown in Annex 2.

## Annual Governance Statement

23. Paragraph 61 of the Annual Governance Statement has been updated and an additional action for 2015/16 has been added to reflect the need for a comprehensive review of risk registers.

	<b>Action now planned for 2015/16</b>	<b>Timescale for Completion</b>	<b>Responsible Officer</b>	<b>Monitoring Body</b>
<b>5</b>	<b>Strategic Risk Register</b>  The Strategic Risk Register to be refreshed and agreed by CCMT, with a quarterly review, including management assurance on the effectiveness of the mitigation for the Strategic Risks	31 September 2015	Chief Internal Auditor	CCMT

24. The narrative about the role of the Oxfordshire Safeguarding Children Board and the Oxfordshire Safer Communities Partnership set out in paragraph 49 has also been updated.

## Letters of Representation

25. Auditing standards require Ernst & Young LLP to obtain representations from management on certain matters material to their audit opinion. Separate letters of representation are required for the Oxfordshire County Council accounts and the Local Government Pension Fund accounts. The Audit & Governance Committee is required to consider and approve the letters of representation before they are signed by the Chief Finance Officer and the Chairman of the Committee.

## **Conclusion**

26. No material errors were identified during the audit. Changes to the accounts relate to minor amendments to notes to the accounts and the Fund Account of the Pension Fund.

## **RECOMMENDATION**

27. **The Committee is RECOMMENDED to:**
- (a) **Consider and approve the Statement of Accounts for 2014/15 presented to the Committee on 8 July 2015 with the minor amendments set out above;**
  - (b) **Consider and approve the Annual Governance Statement presented to the Committee on 8 July 2015 with the minor amendments set out above;**
  - (c) **Consider and approve the Letter of Representation 2014/15 for the Oxfordshire County Council accounts;**
  - (d) **Consider and approve the Letter of Representation 2014/15 for the Oxfordshire Pension Fund accounts.**

LORNA BAXTER

Chief Finance Officer

Background Papers: Report on the Statement of Accounts 2014/15 to the Audit & Governance Committee on 8 July 2015

Contact Officer: Kathy Wilcox, Chief Accountant, 01865 323981

September 2015

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## Note 6: Service Expenditure Analysis

Annex 1

Service	Division of Service	July SoA		Updated SoA		Amendment	
		2013/14 £'000	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000	2014/15 £'000
Children's and Education Services	Early Years	9,306	1,612	-97	1,612	-9,403	
	Primary schools	16,003	12,214	16,139	12,214	136	
	Secondary schools	11,295	21,715	11,358	21,715	63	
	Special schools	-604	1,449	-591	1,449	13	
	Services to Young People & Other Community Learners	997		997			
	Post-16 provision	33	143	4	143	-29	
	Other Education And Community Budget	31,899	34,712	31,776	34,712	-123	
	Sure Start Children'S Centres/Flying Start And Early Years	12,454	8,727	9,643	8,727	-2,811	
	Safeguarding Children and Young People's Services	1,069	2,984	2,902	2,984	1,833	
	Services For Young People	12,494	8,286	8,763	8,286	-3,731	
	Children Looked After	14,814	30,128	26,174	30,128	11,360	
	Family Support Services	10,986	13,548	13,612	13,548	2,626	
	Youth Justice	813	470	815	470	2	
	Asylum Seekers	1,157	1,242	1,158	1,242	1	
	Other Children's & Family Services		63	63	63	63	
	Supporting People Services	1,826	1,908	1,826	1,908		
	<b>Total Children's and Education Services</b>	<b>124,542</b>	<b>139,201</b>	<b>124,542</b>	<b>139,201</b>	<b>0</b>	
Adult Social Care	Physical Support Adults (18 - 64)	16,270	15,989	16,270	15,544		-445
	Physical Support Older People (65+)	39,452	41,013	39,452	41,003		-10
	Sensory Support Adults (16 - 64)	235	141	235	220		79
	Sensory Support Older People (65+)	977	636	977	1,012		376
	Support With Memory And Cognition Adults (16 - 64)	848	213	848	213		
	Support With Memory And Cognition Older People (65+)	1,852	1,876	1,852	1,876		
	Learning Disabilities Support Adults (16 - 64)	56,675	57,994	56,675	57,994		
	Learning Disabilities Support Older People (65+)	6,557	6,774	6,557	6,774		
	Mental Health Support Adults (16 - 64)	5,828	5,902	5,828	5,902		
	Mental Health Support Older People (65+)	2,174	2,161	2,174	2,161		
	Short-Term Support: Learning Disability Support - Adults (16 - 64)	285	189	285	189		
	Short-Term Support: Physical Support - Older People (65+)	970	1,044	970	1,044		
	Short-Term Support: Support With Memory Cognition - Older People (65+)	248	260	248	260		
	Short-Term Support: Learning Disability Support - Older People (65+)	34	22	34	22		
	Social Support: Substance Misuse Support	407	273	407	273		
	Social Support: Asylum Seeker Support	46	28	46	28		
	Social Support: Support To Carers	1,832	1,863	1,832	1,863		
	Social Support: Social Isolation	2,603	2,567	2,603	2,567		
	Assistive Equipment And Technology	5,699	5,169	5,699	5,169		
	Social Care Activities	16,951	16,911	16,951	17,261		350
Information And Early Intervention	2,758	2,581	2,758	2,581			
Commissioning And Service Delivery	20,233	20,654	20,233	20,304		-350	
Supporting People	5,845	5,819	5,845	5,819			
	<b>Total Adult Social Care</b>	<b>188,779</b>	<b>190,079</b>	<b>188,779</b>	<b>190,079</b>	<b>0</b>	
Highways & Transport Services	Transport Planning, Policy and Strategy	7,050	8,453	7,050	8,453		
	Structural Maintenance	18,248	17,053	18,248	16,016		-1,037
	Environment, Safety and Routine Maintenance	17,558	18,235	17,558	18,235		
	Street Lighting (including energy costs)	4,432	4,593	4,432	4,593		
	Winter Service	1,578	1,888	1,578	1,888		
	Traffic management and Road safety	2,291	2,427	2,291	2,427		
	On Street Parking Service	-2,009	-1,887	-2,009	-1,887		
	Off Street Parking Service	1263	-116	1,263	921		1,037
	Public Transport	13,245	12,292	13,245	12,292		
		<b>Total Highways &amp; Transport Services</b>	<b>63,656</b>	<b>62,938</b>	<b>63,656</b>	<b>62,938</b>	<b>0</b>

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**Note 6 – Contributions**

Revised table:

	Employer Contributions		Members Contributions	
	2013/14	2014/15	2013/14	2014/15
	£'000	£'000	£'000	£'000
Oxfordshire County Council	-30,690	-30,817	-9,552	-9,837
Scheduled Bodies	-26,016	-30,859	-8,521	-9,909
Resolution Bodies	-595	-756	-211	-231
Community Admission Bodies	-2,334	-1,752	-695	-635
Transferee Admission Bodies	-1,555	-1,324	-451	-436
<b>Total</b>	<b>-61,190</b>	<b>-65,508</b>	<b>-19,430</b>	<b>-21,048</b>

Original table:

	Employer Contributions		Members Contributions	
	2013/14	2014/15	2013/14	2014/15
	£'000	£'000	£'000	£'000
Oxfordshire County Council	-30,690	-30,817	-9,552	-9,837
Scheduled Bodies	-26,016	-30,859	-8,521	-9,909
Resolution Bodies	-595	-756	-211	-231
Community Admission Bodies	-2,334	-1,682	-695	-609
Transferee Admission Bodies	-1,555	-1,394	-451	-462
<b>Total</b>	<b>-61,190</b>	<b>-65,508</b>	<b>-19,430</b>	<b>-21,048</b>

**Note 9 – Benefits**

Revised table:

	Pensions Payable		Lump Sums	
	2013/14	2014/15	2013/14	2014/15
	£'000	£'000	£'000	£'000
Oxfordshire County Council	27,833	29,578	6,685	6,247
Scheduled Bodies	24,900	26,342	5,779	5,441
Resolution Bodies	474	488	199	50
Community Admission Bodies	1,988	2,736	880	797
Transferee Admission Bodies	797	340	604	211
<b>Total</b>	<b>55,992</b>	<b>59,484</b>	<b>14,147</b>	<b>12,746</b>

Original table:

	Pensions Payable		Lump Sums	
	2013/14	2014/15	2013/14	2014/15
	£'000	£'000	£'000	£'000
Oxfordshire County Council	27,833	29,578	6,685	6,247
Scheduled Bodies	24,900	26,342	5,779	5,441
Resolution Bodies	474	488	199	50
Community Admission Bodies	1,988	2,182	880	434
Transferee Admission Bodies	797	894	604	574
<b>Total</b>	<b>55,992</b>	<b>59,484</b>	<b>14,147</b>	<b>12,746</b>

**Note 16a – Reconciliation of Movements in Investments and Derivatives**

Revised table:

	Value at 1 April 2014 Reclassification	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables / (Payables)	Value at 31 March 2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	74,957	98,661	-91,655	5,785			87,748
Index Linked Securities	80,201	41,394	-45,526	16,064			92,133
Equities	590,179	101,381	-101,388	53,163			643,335
Pooled Investments	703,652	112,976	-73,526	95,908			839,010
Pooled Property Investments	97,287	11,229	-5,789	8,735			111,462
<u>Derivative Contracts</u>							
FX	-11	202,470	-204,263	3,009			1,205
<u>Other Investment Balances</u>							
Cash Deposits	10,285	64,501	-68,822	39	1,329		7,332
Amounts Receivable for Sales of Investments	2,360					730	3,090
Investment Income Due	3,233					685	3,918
Amounts Payable for Purchases of Investments	-2,288					-1,961	-4,249
<b>Total</b>	<b>1,559,855</b>	<b>632,612</b>	<b>-590,969</b>	<b>182,703</b>	<b>1,329</b>	<b>-546</b>	<b>1,784,984</b>

Original table:

	Value at 1 April 2013 Reclassification n £'000	Purchases at Cost & Derivative Payments Reclassification n £'000	Sales Proceeds & Derivative Receipts Reclassification £'000	Change in Market Value Reclassification £'000	Cash Movement £'000	Increase in Receivables / (Payables) £'000	Value at 31 March 2014 Reclassification £'000
Fixed Interest Securities	65,628	90,327	-76,142	-4,856			74,957
Index Linked Securities	77,416	19,715	-12,189	-4,741			80,201
Equities	546,370	120,406	-106,970	30,373			590,179
Pooled Investments	676,896	19,036	-39,046	46,766			703,652
Pooled Property Investments	86,589	9,370	-6,068	7,396			97,287
<u>Derivative Contracts</u>							
FX	758	178,181	-183,149	4,199			-11
<u>Other Investment Balances</u>							
Cash Deposits	8,995	34,889	-41,793	-1,510	9,704		10,285
Amounts Receivable for Sales of Investments	1,286					1,074	2,360
Investment Income Due	2,961					272	3,233
Amounts Payable for Purchases of Investments	-5,742					3,454	-2,288
<b>Total</b>	<b>1,461,157</b>	<b>471,924</b>	<b>-465,357</b>	<b>77,627</b>	<b>9,704</b>	<b>4,800</b>	<b>1,559,855</b>

**Note 28 - Risk**

Revised table:

<b>Asset Type</b>	<b>Value as at 31 March 2014 £'000 Reclassification</b>	<b>Percentage Change % Reclassification</b>	<b>Value Increase £'000 Reclassification</b>	<b>Value Decrease £'000 Reclassification</b>
UK Equities	542,935	11.6	605,645	480,226
Pooled UK Equities (Small Cap)	14,483	8.3	15,680	13,285
Global Equities	192,355	9.7	210,937	173,773
Emerging Markets Equities	17,365	13	19,626	15,104
Pooled Overseas Equities	205,354	11.4	228,847	181,862
Pooled World Equities	137,951	9.4	150,918	124,983
UK Bonds	43,119	5.1	45,331	40,907
Overseas Bonds	31,839	6.0	33,746	29,932
UK Index Linked Bonds	80,201	9.3	87,620	72,782
Pooled Corporate Bonds	96,388	4.6	100,816	91,960
Pooled Hedge Funds	35,397	2.8	36,381	34,413
Pooled Private Equity (LLPs)	51,602	8.3	55,870	47,335
Pooled Property	97,287	2.5	99,720	94,855
Cash	58,569	0.0	58,569	58,569
<b>Total Assets Available to Pay Benefits</b>	<b>1,604,845</b>	<b>9.0</b>	<b>1,749,706</b>	<b>1,459,986</b>

Original table:

<b>Asset Type</b>	<b>Value as at 31 March 2014 £'000 Reclassification</b>	<b>Percentage Change % Reclassification</b>	<b>Value Increase £'000 Reclassification</b>	<b>Value Decrease £'000 Reclassification</b>
UK Equities	542,935	11.6	605,645	480,226
Pooled UK Equities (Small Cap)	14,483	8.3	15,680	13,285
Global Equities	192,355	9.7	210,937	173,734
Emerging Markets Equities	17,365	13	19,626	15,104
Pooled Overseas Equities	205,354	11.4	228,847	181,862
Pooled World Equities	137,951	9.4	150,918	124,983
UK Bonds	43,119	5.1	45,331	40,907
Overseas Bonds	31,839	6.0	33,746	29,932
UK Index Linked Bonds	80,201	9.3	87,620	72,782
Pooled Corporate Bonds	96,388	4.6	100,816	91,960
Pooled Hedge Funds	35,397	2.8	36,381	34,413
Pooled Private Equity (LLPs)	51,602	8.3	55,870	47,335
Pooled Property	97,287	2.5	99,720	94,855
Cash	58,569	0.0	58,569	58,569
<b>Total Assets Available to Pay Benefits</b>	<b>1,604,845</b>	<b>9.0</b>	<b>1,749,346</b>	<b>1,459,947</b>

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Fax: 01865 726155

Joanna Simons  
Chief Executive  
September 2015

My ref:

Your ref:

-  
This matter is being dealt with by Lorna Baxter  
Email: lorna.baxter@oxfordshire.gov.uk

Direct Line: 01865 323971

### **Audit of Oxfordshire County Council for the 2014/15 year ended 31 March 2015**

This representation letter is provided in connection with your audit of the financial statements of Oxfordshire County Council ("the Council") for the year ended 31 March 2015. I recognise that obtaining representations from management concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of Oxfordshire County Council as of 31 March 2015 and of its income and expenditure for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

I understand that the purpose of your audit of the Council's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, I make the following representations, which are true to the best of my knowledge and belief, having made such inquiries as I considered necessary:

#### **A. Financial Statements and Financial Records**

1. I have fulfilled my responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations (England) 2011 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.
2. I acknowledge my responsibility for the fair presentation of the financial statements. I believe the financial statements referred to above give a true and fair view of the



financial position, financial performance (or results of operations) and cash flows in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and are free of material misstatements, including omissions. I have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. I believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

#### **B. Fraud**

1. I acknowledge my responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. I have no knowledge of any fraud, suspected fraud or allegations of fraud involving management or other employees who have a significant role in the Council's internal controls over financial reporting. In addition, I have no knowledge of any fraud or suspected fraud involving others in which the fraud could have a material effect on the financial statements. I have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Council.

#### **C. Compliance with Laws and Regulations**

I have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

#### **D. Information Provided and Completeness of Information and Transactions**

1. I have provided you with:
  - Access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
  - Additional information that you have requested for the purpose of the audit and
  - Unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.



2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. I have made available to you all minutes of the meetings of the Council, Cabinet and Audit and Governance Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting of the Council on 8 September 2015 and the Cabinet on 15 September 2015.
4. I confirm the completeness of information provided regarding the identification of related parties. I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. I have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 66 to the financial statements all guarantees that the Council has given to third parties.
4. No material claims in connection with litigation have been or are expected to be received.

#### **F. Subsequent Events**

Other than the material post balance sheet events described in Note 63 to the financial statements, there have been no events subsequent to the end of the reporting period which require adjustment of or disclosure in the financial statements or notes thereto.

#### **G. Accounting Estimates**

1. I believe that the significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
2. Accounting estimates recognised or disclosed in the financial statements:

- I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
- The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- The assumptions used in making accounting estimates appropriately reflects management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures.
- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

## **H. Retirement benefits**

On the basis of the process established by the Council and having made appropriate enquiries, I am satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with my knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

### **I. Use of the Work of an Expert**

1. I agree with the findings of Barnett Waddingham engaged to provide IAS19 valuation services for the defined benefit pension scheme as set out in Note 20 and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records.
2. I believe the measurement processes employed, including related assumptions and models, in determining accounting estimates is appropriate and consistent with our expectations.
3. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Yours faithfully,

Signed:

Name           Lorna Baxter  
Position       Chief Finance Officer

I confirm that this letter has been discussed and agreed at the Audit & Governance Committee on 16 September 2015.

Signed:

Name	David Wilmshurst
Position	Chairman of the Audit & Governance Committee

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Maria Grindley  
Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
Berkshire RG1 1YE

Oxfordshire County Council  
County Hall  
New Road  
OXFORD, OX1 1ND

Telephone: 01865 792422  
Fax: 01865 726155

Joanna Simons  
Chief Executive  
September 2015

My ref:

Your ref:

-

This matter is being dealt with by Lorna Baxter  
Email: lorna.baxter@oxfordshire.gov.uk

Direct Line: 01865 323971

### **Audit of Oxfordshire County Council Pension Fund for the 2014/15 year ended 31 March 2015**

This representation letter is provided in connection with your audit of the financial statements of Oxfordshire County Council Pension Fund ("the Pension Fund") for the year ended 31 March 2015. I recognise that obtaining representations from management concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2015, and of the amount and disposition at the end of the year of its assets and liabilities, in accordance with applicable law and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

I understand that the purpose of your audit of the Pension Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, I make the following representations, which are true to the best of my knowledge and belief, having made such inquiries as I considered necessary:

#### **A. Financial Statements and Financial Records**

1. I have fulfilled my responsibilities for the preparation of the financial statements in accordance with the Accounts and Audit Regulations (England) 2011 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and for keeping records in respect of contributions received in respect of active members of the Pension Fund and for making accurate representations to you.



2. I confirm that the Pension Fund is a Registered Pension Fund. I am not aware of any reason why the tax status of the Pension Fund should change.
3. I acknowledge my responsibility for the fair presentation of the financial statements. I believe the financial statements referred to above give a true and fair view of the financial position and the financial performance of the Pension Fund in accordance with Accounts and Audit (England) Regulations 2011 and CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15, and are free of material misstatements, including omissions. I have approved the financial statements.
4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
5. I believe that the Pension Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 that are free from material misstatement, whether due to fraud or error.
6. There is one unadjusted audit difference identified during the current audit and pertaining to the latest period presented. This is in relation to the value of the Fund's investment with the Partners Group which was valued on the basis of the December 2014 report adjusted for known cashflows, rather than the year end report which was received late. The investment is therefore understated by £2.665m, which I have not adjusted because I deem the difference is not material, resulting from a small difference on a large number of units

## **B. Fraud**

1. I acknowledge my responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. I have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Pension Fund's internal controls over financial reporting. In addition, I have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. I have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Pension Fund.

## **C. Compliance with Laws and Regulations**

1. I have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

2. I have not made any reports to The Pensions Regulator, nor am I aware of any such reports having been made by any of our advisors.
3. I confirm that I am not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.
4. There have been no other communications with The Pensions Regulator or other regulatory bodies during the Pension Fund year or subsequently concerning matters of non-compliance with any legal duty in respect of the 2014/15 accounts. I have drawn to your attention all correspondence and notes of meetings with regulators.

#### **D. Information Provided and Completeness of Information and Transactions**

1. I have provided you with:
  - Access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
  - Additional information that you have requested for the purpose of the audit and
  - Unrestricted access to persons within the Council (on behalf of the Pension Fund) from whom you determined it necessary to obtain audit evidence.
2. You have been informed of all changes to the Pension Fund rules.
3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
4. I have made available to you all minutes of the meetings of the Pension Fund Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the 4 September 2015.
5. I confirm the completeness of information provided regarding the identification of related parties. I have disclosed to you the identity of the Pension Fund's related parties and all related party relationships and transactions of which I am aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
6. I have disclosed to you, and the Pension Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. No transactions have been made which are not in the interests of the Pension Fund members or the Pension Fund during the Scheme year or subsequently.

### **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and confirm the Pension Fund has given no guarantees to third parties.

### **F. Subsequent Events**

There have been no events subsequent to the end of the reporting period which require adjustment of or disclosure in the financial statements or notes thereto.

### **G. Advisory Reports**

I have not commissioned advisory reports which may affect the conduct of your work in relation to the Pension Fund's financial statements and schedule of contributions/payment schedule.

### **H. Independence**

I confirm that no trustee of the Scheme is connected with, or is an associate of, Ernst & Young LLP which would render Ernst & Young LLP ineligible to act as auditor to the Scheme.

### **I. Derivative Financial Instruments**

1. I confirm that all investments in derivative financial instruments have been made after due consideration by the Pension Fund Committee of the limitations in their use imposed by The Occupational Pension Schemes (Investment) Regulations 2005; namely that they contribute to a reduction in scheme risk, facilitate efficient portfolio management, and that any such investment has been made so as to avoid excessive risk exposure to a single counterparty and to other derivative operations. The Pension Fund's statement of investment principles has been duly reviewed to ensure that such investments comply with any limitations imposed by its provisions.
2. The financial statements disclose all transactions in derivative financial instruments that have been entered into during the period, those still held by the trustees at the scheme year end and the terms and conditions relating thereto.



3. The trustees have duly considered and deemed as appropriate the assumptions and methodologies used in the valuation of 'over the counter' derivative financial instruments which the Pension Fund is holding, and these have been communicated to you.

#### **J. Actuarial Valuation**

The latest report of the actuary (Barnett Waddingham) has been provided to you. To the best of my knowledge and belief I confirm that the information supplied by the Pension Fund to the actuary was true and that no significant information was omitted which may have a bearing on his report.

#### **K. Accounting Estimates**

1. I believe that the significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
2. Accounting estimates recognised or disclosed in the financial statements:
  - I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
  - The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
  - The assumptions used in making accounting estimates appropriately reflects management's intent and ability to carry out specific courses of action on behalf of the Pension Fund, where relevant to the accounting estimates and disclosures.
  - No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

Yours sincerely,

Signed:

Name	Lorna Baxter
Position	Chief Finance Officer

I confirm that this letter has been discussed and agreed at the Audit & Governance Committee on 16 September 2015.

Signed:

Name	David Wilmshurst
Position	Chairman of the Audit & Governance Committee

Division(s):

## **AUDIT & GOVERNANCE COMMITTEE**

**16 SEPTEMBER 2015**

### **LOCAL GOVERNMENT OMBUDSMAN – ANNUAL REVIEW REPORT**

**Report by Peter G Clark, County Solicitor and Monitoring Officer**

#### **Introduction**

1. Each year, the Local Government Ombudsman (LGO) issues an Annual Review Report about each council in relation to the complaints made to the Ombudsman about that Council in the previous financial year. My report to this Committee therefore informs members about the LGO's Annual Review Report for Oxfordshire County Council for the year 2014/15.
2. In previous years, the Ombudsman issued more detailed Annual Reports with a commentary on each authority's performance. Following changes to the LGO's investigations procedures, this is no longer the case.
3. However, these figures, in comparison with other information published separately by the Ombudsman for all authorities, demonstrate that the Council's system of control as expressed through the Council's engagement with the Ombudsman is working well.

#### **The LGO's 2014/15 report**

4. Under the Local Government Act 1974, the LGO has two main statutory functions:
  - To investigate complaints against councils (and some other authorities)
  - To provide advice and guidance on good administrative practice
5. Following changes to the structure of the Ombudsman's investigative and recording procedures, the Ombudsman now records the following categories of information – summarised in their Annual Review Report (attached as Annex 1 to this report):
  - Complaints and enquiries received - by subject area
  - Decisions made (upheld, not upheld, advice given, closed after initial enquiries, incomplete/invalid and premature)

#### ***Complaints and enquiries received by LGO***

6. During 2014/15, the LGO received **53 complaints and enquiries** about the Council. In 2013/14 this had been 50; and in 2012/13 39. The number therefore fluctuates each year and cannot of itself be regarded as an accurate assessment of Council performance.
7. A note of caution, regrettably, also needs to be expressed about the LGO's figures in any case. For the second year in a row, I have had to correct the LGO on its published figures. In two cases, the LGO had noted cases as 'upheld' although their actual decisions were that those complaints were 'not upheld'. Unhelpfully, the LGO is unwilling to correct the statistics once issued, due to their own resourcing issues, and do not supply us with a draft in advance. I have written to express my concern about this and the consequent undermining of the usefulness of any comparative information. That said, the LGO is clear in her letter that numbers themselves do not give a full picture of a Council's performance in handling complaints. I agree and also welcome the LGO's intention, over the coming year, to gather "more comprehensive information about the way complaints are being remedied so that in future our annual letter focuses less on the total numbers and more on the outcomes of those complaints".
8. Annex 1 to this report includes the LGO's full list of subject areas for Oxfordshire County Council which has attracted referrals to the Ombudsman. The top three were:
- Education and children's services      24
  - Adult care services                              16
  - Highways and transport                        7
9. To put this in context, the LGO's publication *Review of Local Government Complaints 2014/15* notes that of the 18,500 complaints it received that year, these three services also attracted a significant number of complaints on a national basis:
- Education and children's services      17% of all LGO complaints
  - Adult social care                                14%
  - Highways and transport                        11%
10. It's noteworthy that the LGO's publication confirms that while Education and Children's Services continue to attract the *most* complaints nationally, the *biggest increase* (10%) nationally is in the area of *Adult Care Services*. Therefore, occurrence of complaints about the three subject areas in paragraph 8 is not itself surprising and accords with national trends.

**Decisions made by LGO**

11. The more telling figure relates to the actual *decisions* about Oxfordshire County Council made by the LGO (of which there were 47). Some complaints received by the LGO were simply closed and not pursued at all (6 of 47 cases); or were referred to the Council for resolution (21 out of 47 cases) as the complainant had not allowed the Council to consider the complaint first.

12. **Investigations** were therefore carried out only into 17 complaints. The LGO's report indicates that of these, 7 were not upheld, while 9 were upheld. However, after checking these figures with the actual decisions issued by the LGO, these figures should be reversed i.e. **9 cases were 'not upheld' and 7 cases were 'upheld'**. The LGO has been asked to correct this on its own records but is unlikely to do so. Of all of the complaints received by the Council during 2014/15 (517), those upheld by the Ombudsman reflect only 1.4%.
13. Thumbnail details of these 7 "upheld complaints" are as follows:

Nature of complaint	Decision	Remedy
Complaint that a children's centre didn't offer appropriate help and advice when complainant reported safeguarding concerns about a day nursery; and did not make a referral to children's services.	While staff had discussed the concern with the complainant originally, they did not make a referral to the Assessment Team as procedures required. Concerns were not recorded or referred appropriately.	Council undertook to provide further safeguarding training to children's centre staff; and to review recording practices in relation to concerns made. To carry out a further review with staff of communication and responsibilities. Council apologised for distress caused and paid £250 in recognition of this
Complaint of a failure adequately to consider the impact on the traffic and parking in complainants street when parking restrictions were implemented nearby; Failure to consult the residents of his road or respond to their objection.	The Council adequately considered the impact of nearby parking restrictions. It did not consult the residents of that street or make the decision-maker aware of a petition, but did adequately consider their objections. The Council has explained why it is not reviewing whether further restrictions are needed.	No remedy needed.
Complaint that the Council failed to take appropriate action when a bridleway became flooded. The Council failed to respond to concerns.	The Council was not at fault for the way it reached decisions about how to deal with the drainage problems on the bridleway. The Council failed to respond in writing to the complainant's original concerns.	Apology given for failing to respond in writing.
Complaint that the Council failed to consistently and fairly apply its policy on acceptable proof of residence when making its 2013 infant school	There was no fault in the way the Council administered the school admission applications and appeal for the child. The Council incorrectly	No remedy needed.

Nature of complaint	Decision	Remedy
admission decisions. As a result of the Council's fault, a child didn't get a place at the school closest to the family home.	allocated a place at School A to one child. That was fault. But this fault, and the Council's decision not to withdraw the place, did not mean the child was denied a School A place.	
Complaint about failing to deal with safeguarding issues appropriately and to keep relevant records Council demonstrated bias and failed to provide support.	There were minor faults in following safeguarding procedures and in record keeping but these did not result in significant injustice. No evidence of bias, lack of impartiality or lack of support.	Council provided a suitable apology.
Complained that the Council wrongly decided that a child should be adopted; presented incorrect information to the Court which decided child should be adopted; and did not assess a friend as a potential adopter.	The Council was at fault in failing to provide a clear explanation at an earlier stage of why it did not proceed with the assessment of A as potential adoptive parent for X's child. There is no evidence of fault in how the Council made its decision not to bring forward a review of X's letterbox contact with the child.	Apology provided for the uncertainty created.
Complaint that the Council has refused to undertake a second stage investigation of the complainant's set of additional complaints regarding child protection proceedings	The Council was at fault in declining to investigate new complaints at Stage 2 of the statutory complaints procedure.	The Council agreed to undertake a Stage 2 investigation of the complaints

### ***Comparison with other county councils***

14. A comparison of overall LGO 'decision statistics' for other county councils shows that Oxfordshire County Council:
- Had the second highest number of complaints closed by the LGO after first enquiry (i.e. no case to answer)
  - Had the third lowest number of upheld complaints (3) per 100,000 population
  - Had the ninth lowest percentage of complaints actually upheld by the LGO
15. This sound position continues to reflect well on the work of the Council. It is noteworthy that the Council's complaints processes stand up well in comparison with best practice. In the LGO's report *Review of Local Government Complaints 2014/15*, the Ombudsman makes particular mention

that 43% of complainants nationally were not advised that they could refer their complaint to the Ombudsman. Oxfordshire County Council makes particular mention of this right in every final response sent by the Council and supplies up to date contact details for doing so.

### ***Councillors' guide to complaints***

16. This year the LGO's Annual Report draws attention to a guide for councillors that the Ombudsman and the Local Government Association have produced (*Handling complaints for service improvement*). This provides advice to elected members about good practice in relation to receiving 'complaints' from members of the public and how to recognise the need to refer these through the Council's formal complaints procedures. The guide also draws attention to the importance of complaints as an indicator of a council's willingness to learn from complaints and to have processes that are clear and accountable. The Council's delegation of oversight to this Committee is part of that framework in Oxfordshire.
17. A copy of the guide is being made available on the members' intranet.

### **Conclusion**

18. This year's Annual Letter from the Ombudsman is encouraging. In comparison with other counties, the Council had the sixth lowest number of referrals to the Ombudsman and the third lowest number of complaints upheld per 100,000 population. This suggests that the Council's complaints handling is robust, contains clear referrals to the Ombudsman and that the Council is among the proportion of Ombudsman complaints upheld.
19. This is not a matter for complacency but does indicate that this important strand of governance is working effectively.
20. On my behalf, the Complaints & Freedom of Information team continues to disseminate best practice, case studies and advice to managers on the handling of complaints, to keep knowledge current. The Team also leads on the co-ordination of LGO complaints, liaising with service managers to ensure that the LGO receives a full and frank response, in the interests of accountability and good governance.

### **RECOMMENDATION**

21. **The Committee is RECOMMENDED to note and comment upon this report and on the Local Government Ombudsman's Annual Review of Oxfordshire County Council for 2014/15.**

Peter Clark  
County Solicitor and Monitoring Officer

Background papers: Local Government Ombudsman publications:

- Review of Local Government Complaints 2014/15

- Handling complaints for service improvement

Contact Officer: Peter G Clark  
September 2015



18 June 2015

*By email*

Ms Joanna Simons  
Chief Executive  
Oxfordshire County Council

Dear Ms Simons

### **Annual Review Letter 2015**

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2015. This year's statistics can be found in the table attached.

The data we have provided shows the complaints and enquiries we have recorded, along with the decisions we have made. We know that these numbers will not necessarily match the complaints data that your authority holds. For example, our numbers include people who we signpost back to the council but who may never contact you. I hope that this information, set alongside the data sets you hold about local complaints, will help you to assess your authority's performance.

We recognise that the total number of complaints will not, by itself, give a clear picture of how well those complaints are being responded to. Over the coming year we will be gathering more comprehensive information about the way complaints are being remedied so that in the future our annual letter focuses less on the total numbers and more on the outcomes of those complaints.

### **Supporting local scrutiny**

One of the purposes of the annual letter to councils is to help ensure that learning from complaints informs scrutiny at the local level. Supporting local scrutiny is one of our key business plan objectives for this year and we will continue to work with elected members in all councils to help them understand how they can contribute to the complaints process.

We have recently worked in partnership with the Local Government Association to produce a workbook for councillors which explains how they can support local people with their complaints and identifies opportunities for using complaints data as part of their scrutiny tool kit. This can be found [here](#) and I would be grateful if you could encourage your elected members to make use of this helpful resource.

Last year we established a new Councillors Forum. This group, which meets three times a year, brings together councillors from across the political spectrum and from all types of local authorities. The aims of the Forum are to help us to better understand the needs of councillors when scrutinising local services and for members to act as champions for learning from complaints in their scrutiny roles. I value this direct engagement with elected members and believe it will further ensure LGO investigations have wider public value.

## Encouraging effective local complaints handling

In November 2014, in partnership with the Parliamentary and Health Service Ombudsman and Healthwatch England, we published *'My Expectations'* a service standards framework document describing what good outcomes for people look like if complaints are handled well. Following extensive research with users of services, front line complaints handlers and other stakeholders, we have been able to articulate more clearly what people need and want when they raise a complaint.

This framework has been adopted by the Care Quality Commission and will be used as part of their inspection regime for both health and social care. Whilst they were written with those two sectors in mind, the principles of *'My Expectations'* are of relevance to all aspects of local authority complaints. We have shared them with link officers at a series of seminars earlier this year and would encourage chief executives and councillors to review their authority's approach to complaints against this user-led vision. A copy of the report can be found [here](#).

## Future developments at LGO

My recent annual letters have highlighted the significant levels of change we have experienced at LGO over the last few years. Following the recent general election I expect further change.

Most significantly, the government published a review of public sector ombudsmen in March of this year. A copy of that report can be found [here](#). That review, along with a related consultation document, has proposed that a single ombudsman scheme should be created for all public services in England mirroring the position in the other nations of the United Kingdom. We are supportive of this proposal on the basis that it would provide the public with clearer routes to redress in an increasingly complex public service landscape. We will advise that such a scheme should recognise the unique roles and accountabilities of local authorities and should maintain the expertise and understanding of local government that exists at LGO. We will continue to work with government as they bring forward further proposals and would encourage local government to take a keen and active interest in this important area of reform in support of strong local accountability.

The Government has also recently consulted on a proposal to extend the jurisdiction of the LGO to some town and parish councils. We currently await the outcome of the consultation but we are pleased that the Government has recognised that there are some aspects of local service delivery that do not currently offer the public access to an independent ombudsman. We hope that these proposals will be the start of a wider debate about how we can all work together to ensure clear access to redress in an increasingly varied and complex system of local service delivery.

Yours sincerely



Dr Jane Martin  
Local Government Ombudsman  
Chair, Commission for Local Administration in England

## Local authority report – Oxfordshire County Council

For the period ending – 31/03/2015

For further information on interpretation of statistics click on this link to go to <http://www.lgo.org.uk/publications/annual-report/note-interpretation-statistics/>

### Complaints and enquiries received

Local Authority	Adult Care Services	Benefits and tax	Corporate and other services	Education and children's services	Environmental services and public protection	Highways and transport	Housing	Planning and development	Total
Oxfordshire CC	16	0	4	24	0	7	0	2	53

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### Decisions made

Local Authority	<u>Detailed investigations carried out</u>		Advice given	Closed after initial enquiries	Incomplete/Invalid	Referred back for local resolution	Total
	Upheld	Not Upheld					
Oxfordshire CC	9	7	0	6	4	21	47

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Oxfordshire CC  
Decisions made in period (Apr 2014 - Mar 2015)

	<b>Category</b>	<b>Decision date</b>	<b>Decision</b>
1	Adult Care Services	07/Apr/2014	Referred back for local resolution
2	Adult Care Services	11/Apr/2014	Referred back for local resolution
3	Education & Childrens Services	14/Apr/2014	Closed after initial enquiries
4	Education & Childrens Services	29/Apr/2014	Referred back for local resolution
5	Education & Childrens Services	30/Apr/2014	Not Upheld
6	Education & Childrens Services	30/Apr/2014	Upheld
7	Adult Care Services	02/May/2014	Referred back for local resolution
8	Education & Childrens Services	06/May/2014	Incomplete/Invalid
9	Adult Care Services	08/May/2014	Referred back for local resolution
10	Adult Care Services	08/May/2014	Referred back for local resolution
11	Adult Care Services	09/May/2014	Referred back for local resolution
12	Corporate & Other Services	23/May/2014	Closed after initial enquiries
13	Education & Childrens Services	11/Jun/2014	Referred back for local resolution
14	Highways & Transport	16/Jun/2014	Not Upheld
15	Highways & Transport	18/Jun/2014	Referred back for local resolution
16	Adult Care Services	16/Jul/2014	Referred back for local resolution
17	Highways & Transport	29/Jul/2014	Upheld
18	Highways & Transport	04/Aug/2014	Upheld
19	Education & Childrens Services	13/Aug/2014	Referred back for local resolution
20	Education & Childrens Services	15/Aug/2014	Upheld
21	Education & Childrens Services	26/Aug/2014	Not Upheld
22	Education & Childrens Services	26/Aug/2014	Referred back for local resolution
23	Highways & Transport	11/Sep/2014	Closed after initial enquiries
24	Education & Childrens Services	15/Sep/2014	Not Upheld
25	Adult Care Services	24/Sep/2014	Referred back for local resolution
26	Education & Childrens Services	20/Oct/2014	Upheld
27	Planning & Development	11/Nov/2014	Incomplete/Invalid
28	Adult Care Services	10/Dec/2014	Referred back for local resolution
29	Education & Childrens Services	17/Dec/2014	Upheld
30	Education & Childrens Services	02/Jan/2015	Upheld

Oxfordshire CC  
Decisions made in period (Apr 2014 - Mar 2015)

31	Highways & Transport	13/Jan/2015	Closed after initial enquiries
32	Corporate & Other Services	13/Jan/2015	Referred back for local resolution
33	Education & Childrens Services	15/Jan/2015	Referred back for local resolution
34	Education & Childrens Services	20/Jan/2015	Referred back for local resolution
35	Adult Care Services	05/Feb/2015	Closed after initial enquiries
36	Education & Childrens Services	11/Feb/2015	Referred back for local resolution
37	Education & Childrens Services	16/Feb/2015	Upheld
38	Education & Childrens Services	17/Feb/2015	Referred back for local resolution
39	Adult Care Services	18/Feb/2015	Not Upheld
40	Education & Childrens Services	18/Feb/2015	Referred back for local resolution
41	Education & Childrens Services	20/Feb/2015	Incomplete/Invalid
42	Planning & Development	10/Mar/2015	Not Upheld
43	Education & Childrens Services	11/Mar/2015	Upheld
44	Highways & Transport	11/Mar/2015	Not Upheld
45	Highways & Transport	19/Mar/2015	Closed after initial enquiries
46	Corporate & Other Services	19/Mar/2015	Incomplete/Invalid
47	Education & Childrens Services	20/Mar/2015	Referred back for local resolution

Oxfordshire CC  
Complaints received in period (Apr 2014 - Mar 2015)

ANNEX 1

	<b>Category</b>	<b>Received Date</b>
1	Education & Childrens Services	01/Apr/2014
2	Education & Childrens Services	09/Apr/2014
3	Adult Care Services	11/Apr/2014
4	Education & Childrens Services	29/Apr/2014
5	Highways & Transport	29/Apr/2014
6	Education & Childrens Services	30/Apr/2014
7	Adult Care Services	02/May/2014
8	Education & Childrens Services	06/May/2014
9	Adult Care Services	07/May/2014
10	Adult Care Services	07/May/2014
11	Highways & Transport	07/May/2014
12	Adult Care Services	09/May/2014
13	Education & Childrens Services	09/May/2014
14	Corporate & Other Services	13/May/2014
15	Education & Childrens Services	02/Jun/2014
16	Education & Childrens Services	11/Jun/2014
17	Highways & Transport	18/Jun/2014
18	Adult Care Services	15/Jul/2014
19	Education & Childrens Services	01/Aug/2014
20	Education & Childrens Services	13/Aug/2014
21	Education & Childrens Services	13/Aug/2014
22	Education & Childrens Services	18/Aug/2014
23	Education & Childrens Services	18/Aug/2014
24	Education & Childrens Services	26/Aug/2014
25	Highways & Transport	01/Sep/2014
26	Education & Childrens Services	10/Sep/2014
27	Adult Care Services	23/Sep/2014
28	Adult Care Services	24/Sep/2014

Oxfordshire CC  
Complaints received in period (Apr 2014 - Mar 2015)

ANNEX 1

29	Education & Childrens Services	24/Sep/2014
30	Highways & Transport	25/Sep/2014
31	Education & Childrens Services	03/Oct/2014
32	Planning & Development	29/Oct/2014
33	Adult Care Services	14/Nov/2014
34	Adult Care Services	17/Nov/2014
35	Planning & Development	19/Nov/2014
36	Adult Care Services	02/Dec/2014
37	Adult Care Services	10/Dec/2014
38	Highways & Transport	19/Dec/2014
39	Education & Childrens Services	23/Dec/2014
40	Adult Care Services	24/Dec/2014
41	Corporate & Other Services	13/Jan/2015
42	Adult Care Services	14/Jan/2015
43	Education & Childrens Services	20/Jan/2015
44	Education & Childrens Services	11/Feb/2015
45	Adult Care Services	12/Feb/2015
46	Education & Childrens Services	17/Feb/2015
47	Education & Childrens Services	18/Feb/2015
48	Education & Childrens Services	20/Feb/2015
49	Adult Care Services	25/Feb/2015
50	Highways & Transport	09/Mar/2015
51	Education & Childrens Services	11/Mar/2015
52	Corporate & Other Services	19/Mar/2015
53	Corporate & Other Services	30/Mar/2015



Division(s): N/A

## **AUDIT and GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015**

### **INTERNAL AUDIT 2015/16 PROGRESS REPORT**

#### **Report by the Chief Finance Officer**

#### **INTRODUCTION**

1. This report provides an update on the Internal Audit Service, including resources, completed and planned audits, and an update on counter-fraud activity.
2. The Internal Audit Plan is attached as Appendix 1 to this report. This reports on the progress against the quarter 1 and quarter 2 plan and the proposed quarter 3 plan.
3. The proposal for restructuring the current resources of the Internal Audit Service is now complete. Three distinctive teams have been created, to protect the role and independence of an Internal Audit Service; to provide a clear strategy and resource for the management of Counter-Fraud; and, to create capacity to manage the corporate responsibility for Risk Management and a new a Business Assurance function.
4. The key outcome of the change is to provide a structure that can contribute to and report on the Council's combined assurance that ensures the effectiveness of the governance, risk management and the system of internal control.
5. The Internal Audit function is looking to recruit a Trainee Auditor post, this recruitment will commence in September.
6. The new Risk and Business Assurance function is currently recruiting to two vacant Compliance Officer posts. The advert for the two posts closes at the end of August. The team currently has an interim Compliance Officer in place working wholly on undertaking internal check procedures on the file upload process for feeder systems to the main accounting system.
7. The team have also commissioned 100 days from the Council's insurance provider (Zurich) to assist in reviewing and updating the Council's Risk Management Strategy, Strategic Risk Register and to develop a methodology for assurance mapping the organisation's critical services.
8. The agreement with Oxford City to provide counter-fraud support has been drafted and will be operational by the end of September.

9. Now the team structure has been finalised, the work plans for compliance, counter-fraud and internal audit activity will be developed in respect of financial risks and key financial systems, during Q3 and delivered during Q3 and Q4.
10. There is currently a critical piece of work on-going following the transfer of services to the Hampshire IBC; the audit needs assessment for retained services and processes is being created from which the assurance based activity will be determined as either a need for compliance checking, proactive counter-fraud audits, or systems based internal audit. In addition the expectations of the IBC systems are being captured and will be discussed with the Chief Internal Auditor of Hampshire CC, including the IBC, to ensure they will be able to provide independent assurance on the system of control to Oxfordshire.

**2014/15 AUDIT PLAN PROGRESS**

11. There have been 5 audits concluded since the last update (provided to the July 2015 meeting of the Audit and Governance Committee); summaries of findings and current status of management actions are detailed in Appendix 2. The completed audits are as follows:

<b>Directorate</b>	<b>2014/15 Audits</b>	<b>Opinion</b>
SCS	Adult Social Care Management Controls	Amber
<b>Directorate</b>	<b>2015/16 Audits</b>	<b>Opinion</b>
SCS	Management Letter - Provider Investigation - post investigation review of controls.	N/A
EE - ICT	Cyber Security	Amber
EE - ICT	ICT Disposal of Equipment	Red
EE - ICT	ICT Change Management	Amber

**PERFORMANCE**

12. The following performance indicators are monitored on a monthly basis.

<b>Performance Measure</b>	<b>Target</b>	<b>% Performance Achieved</b>	<b>Comments</b>
Elapsed Time for completion of audit work (exit meeting)	15 days	75%	

to issue of draft report.			
Elapsed Time between issue of Draft report and issue of Final Report.	15 days	50%	For the audits that did not meet this PI, there were known delays in finalisation due to key staff being on holidays.

The other four performance indicators are:

- % of 2014/15 planned audit activity completed by 30 April 2016 - reported at year end.
- % of management actions implemented (measured from 13/14 to date) = 77%. Of the remaining 23% - there are 51 actions that are overdue, and 110 actions not yet due.
- Effectiveness of Internal Audit - reported at year end.
- Extended Management Team satisfaction with internal audit work - reported at year end.

**COUNTER-FRAUD**

13. The external potential frauds being investigated within Social and Community Services are still on-going and a full update will be given at the conclusion of the investigations. For one of the cases, the investigation has been passed across to the Police and their investigation is underway.
14. The minor financial irregularity relating to additional payments made to an ex-employee concluded with no further action to take. The available evidence was reviewed by management and found to be inconclusive. It was considered, on the balance of the evidence available and that no significant values were involved, that no further action was required.
15. The investigation into the potential misuse of a direct payment is on-going. An audit of the Direct Payments processes is now underway and has a focus on what controls the Council has in place to protect against, or highlight, direct payment funds being used for anything other than their intended purpose.
16. At the last update it was reported that the Income Team had alerted Audit to an irregularity whereby a company had informed them they had been asked to make payment in the name of an individual as opposed to the Council. The systems were updated immediately following this and the Finance Business Partner obtained initial assurances that the individual had not received or cashed cheques into a personal account, and that it was a lack of knowledge of correct

process. A full detailed analysis is still to be done, however assurances thus far have proved sufficient that there has been no loss and no deliberate attempt at committing fraud.

17. Internal Audit has been made aware of a potential procurement card misuse. This was investigated by HR and management and found to be a wider issue of lack of procedural knowledge, which constituted the misuse. Whilst no disciplinary action is being taken, the individual in question is now paying back the money spent inappropriately on their card and the control issues that are highlighted by this case are being reviewed in the current audit of Childrens Social Care Payments.

18. National Fraud Initiative (NFI)

The matches from the 2014/15 exercise have been released. In total OCC have had 15,266 matches returned, of which 6,850 are recommended to be looked at. Key officer and Councillor checks have been completed and no issues have been identified. Data matches are now being reviewed by individual teams across the Council and Internal Audit.

## **RECOMMENDATION**

**The committee is RECOMMENDED to approve the Q3 Internal Audit Plan.**

Lorna Baxter  
Chief Finance Officer

Background papers: None.  
Contact Officer: Ian Dyson, Chief Internal Auditor, 01865 323875

**Progress against Quarter 1 Internal Audit Plan**

Directorate	Qtr Start	Audit	Status
CEF	1	<p><b>CEF Safeguarding (Children's Social Care Management Controls)</b></p> <p>The detailed scope of the audit will be agreed with the Deputy Director. The audit will look to provide assurance over the processes in place for the monitoring and escalation of missing children, including children missing from school.</p>	<p>Directorate requested deferral until quarter 3.</p> <p>Fieldwork start date planned for November 2013.</p>
CEF	1	<p><b>CEF Thriving Families</b></p> <p>The revised Thriving Families Framework requires internal audit verification of each claim. New processes have also been developed by the team. Internal Audit plan to review the new processes in April / May and then complete the required verification work of both the summer and winter claims.</p>	<p>Initial review of processes has been completed. Summer claim not made. Verification work will therefore be undertaken by Internal Audit for the Winter Claim.</p>
SCS	1	<p><b>SCS Personal Budgets / Direct Payments</b></p> <p>The audit will provide assurance on the effectiveness of the Self Directed Support process, including personal budget allocations and accounting, care plan delivery and client documentation. The audit will specifically review controls in respect of direct payments. This will include review of the processes and recording via the new Adult Social Care I.T. System.</p>	<p>Fieldwork stage.</p> <p>Due for completion by end of September 2015.</p>

Directorate	Qtr Start	Audit	Status
SCS	1	<p><b>Adult Social Care Information System</b></p> <p>A follow up audit of the audit of the IT system implementation audit that was undertaken in February 2015 will be undertaken in quarter 1 to provide assurance that the weaknesses identified in the area of testing have been sufficiently addressed prior to go-live.</p>	<p>The implementation of the new system was deferred from May 2015 to November 2015. This audit will therefore now start in quarter 2.</p> <p>The follow up audit has now been completed and is at draft report stage.</p>
SCS	1-4	<p><b>LEAN / Responsible Localities</b></p> <p>This is a major programme looking at improving the care pathway of clients and introducing improved ways of working. The Audit Manager will continue to work with the Finance Business Partner for SCS in reviewing the newly designed processes and also look to provide assurance on the overall programme governance. This will include review of the care management processes and recording via the new Adult Social Care I.T. System.</p>	On-going
SCS	1-4	<p><b>SCS Implementation of the Care Bill</b></p> <p>From April 2015 the new Care Bill will go live. This will include changes to the collection of deferred payments, larger volume of care assessments, changes to eligibility, improvements required to information and advice, etc. The required changes are being managed as a major programme by the SCS directorate. Internal Audit will look to provide assurance on the on-going programme governance arrangements and implementation plans.</p>	On-going

Directorate	Qtr Start	Audit	Status
EE (OCS)	1	<p><b>Externalisation Programme</b></p> <p>The audit will follow on from 2014/15 IBC On Boarding audit and the related projects (Impacts and Business Readiness). The review will focus on programme and project governance and the design of any new internal control mechanisms introduced by the Council that will interface with the IBC.</p>	On-going
EE (OCS)	1	<p><b>Cyber Security</b></p> <p>The audit will provide assurance that the Councils ICT environment, systems and data are adequately protected and secure against cyber threats</p>	Final Report
<b>Planned Quarter 2 audit, brought forward and undertaken in quarter 1:</b>			
EE (OCS)	2	<p><b>ICT Disposal of Equipment</b></p> <p>This area has not been subject to any previous internal audit review and there is a responsibility under the Data Protection Act 1998 to ensure all personal data is securely wiped from all redundant equipment.</p> <p>To evaluate the controls over the disposal of ICT equipment, including the security wiping of data.</p>	Final Report

**Progress against Quarter 2 Internal Audit Plan**

<b>Directorate</b>	<b>Qtr Start</b>	<b>Audit</b>	<b>Status</b>
CEF	2	<p><b>CEF MASH (Multi Agency Safeguarding Hub)</b></p> <p>The audit will look to provide assurance on the new processes and governance arrangements in place.</p>	<b>Fieldwork</b>
CEF	2	<p><b>CEF Social Care Payments</b></p> <p>The audit will review the accuracy and integrity of the various payment types made by CEF social workers, for example emergency payments, which are made via the Facilities Management Offices.</p>	<b>Fieldwork</b>
CEF	2	<p><b>CEF Foster Payments</b></p> <p>The audit will review the processes in place for payments to foster carers. The scope will be agreed with the Directorate, however will include both internal and external foster placement arrangements.</p>	<b>Fieldwork</b>
EE	2	<p><b>EE Planning</b></p> <p>The audit will review the processes in place for managing and consulting on planning applications. The audit will also review the relationship with the District Council's in supporting their planning process and the use of the Single Response system.</p>	<b>Rescheduled for later in 2015/16</b>
EE	2	<p><b>EE Energy Recovery Facility</b></p> <p>The audit will review the financial management and performance monitoring arrangements in place for the Energy Recovery Facility.</p>	<b>Rescheduled for later in 2015/16</b>



Directorate	Qtr Start	Audit	Status
		Testing will include a detailed review of payments made; tracking details back to source documentation.	
EE (ICT)	2	<p><b>ICT Change Management</b></p> <p>A new change process is being implemented. To ensure there are formal processes for managing changes to the ICT environment and that all such changes are appropriately authorised and tested prior to being implemented.</p>	<b>Final Report</b>
EE (ICT)	2	<p><b>Broadband Project</b></p> <p>To review the implementation of the broadband project. This is a key ICT project that is running until 2017.</p>	<b>Fieldwork</b>
EE	2 / 3	<p><b>Capital Programme Governance &amp; Delivery</b></p> <p>The audit is a high level review of the capital programme aimed at testing the Council's approach to progressing identified schemes and to ascertain the management of the capital programme and its delivery. Detailed scoping is yet to take place, but the review will test capital programmes from across the Council.</p>	<b>Planned start for quarter 3</b>
EE	2 / 3	<p><b>Highways Contract</b></p> <p>In conjunction with the contract management team, this audit will review the management and operation of the Highways Contract with Skanska.</p>	<b>Fieldwork</b>

**Proposed quarter 3 Internal Audit Plan**

NB. Audits deferred from quarter 1 & 2 and now planned to start in quarter 3 are listed above. The following are additional audits for quarter 3.

Directorate	Qtr Start	Audit	Status
SCS	3	<b>SCS Pooled Budgets</b>  The audit will look to provide assurance over the governance and operational arrangements in place to manage joint risks, shared decision making and work undertaken on behalf of each other. The audit will include reviewing the arrangements in conjunction with the introduction of the Better Care Fund.	<b>To start quarter 3</b>
EE	3	<b>City Deal</b>  The audit will review the governance and financial arrangements in place for managing and monitoring the City Deal, including delivery within established targets or timeframes.	<b>To start quarter 3</b>
Corporate	3	<b>OLEP Governance Framework</b>  The audit will review the design and application of the OLEP's Assurance Framework, following the guidance issued by the Department for Business, Innovation & Skills in December 2014 that is aimed at guiding local decision making to support accountability, transparency and value for money.	<b>To start quarter 3</b>

Directorate	Qtr Start	Audit	Status
EE (ICT)	3	<b>Commissioning of ICT Services</b>  A number of key services have been, or will be, externally commissioned, including services relating to the data centre, wide area network and SAP system. To ensure ICT services provided by external parties are adequately managed and monitored.	<b>To start quarter 3</b>

## **Summary of Completed Audits (since last update to July 2015 Audit Committee)**

**(Status at end of August 2015)**

### **ADULT SOCIAL CARE MANAGEMENT CONTROLS 2014/15.**

Opinion: Amber	29 July 2015	
Total: 25	Priority 1 = 07	Priority 2 = 18
Current Status:		
Implemented	01	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	24	

#### **Overall Conclusion is Amber**

The audit scope covered review of the Safeguarding Alerts process, how complaints and concerns of a safeguarding nature are managed and also considered how safeguarding information in relation to providers is gathered and used in decision making.

OCC faces the challenges of responding to an increasing volume of Safeguarding Alerts and of adequately monitoring a large number of external residential and home support providers. New policies and procedures have been put in place to improve management oversight, information sharing and joint working, in particular the introduction of the Care Governance and Quality Board (CGQB), the Serious Concerns Framework and the Providers Dashboard, which fill a gap in joint oversight. These changes are a very positive step forward and are currently in an embedding phase, after which they should provide a stronger control framework, supported also by improved data management from the new Adult Social Care System. However, currently some weaknesses exist:

- Outdated information management systems, with heavy reliance on multiple spread sheets, and storage of key documents on individual email accounts or restricted team folders instead of shared folders or databases.
- Data inaccuracies in the new Providers Dashboard (designed to improve oversight of provider quality and performance), as providers' traffic light statuses were incorrect.
- The Contracts Team are not routinely informed of all Safeguarding Alerts, and do not regularly and routinely check for new Alerts, thereby limiting their ability to monitor trends effectively and in a timely manner.
- Alerts or referrals have been closed without clearly documented, triangulated evidence retained to support the decision.

- The management of Provider improvement actions plans and contract sanctions is not satisfactory.
- There is a need to develop a stronger quality assurance and performance management system by utilising systematic data analysis of provider service delivery records.

### **PROVIDER INVESTIGATION MANAGEMENT LETTER 2015/16.**

Opinion: N/A	29 July 2015	
Total: 10	Priority 1 = 01	Priority 2 = 09
Current Status:		
Implemented	03	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	07	

The investigation into the provider where there were queries with the visits that the provider has claimed for is on-going.

However Internal Audit and SCS management met to review whether the investigation had highlighted any weaknesses in systems or processes and agree an action plan where internal / management controls require strengthening. This review took into account the management actions agreed in the audit of payments to residential and home support providers undertaken during 2014/15 and looked to build on those agreed actions and capture any additional weaknesses in systems and processes that the investigation highlighted.

### **Conclusion**

A full audit or any detailed testing has not been undertaken however this post investigation review has highlighted areas where improvements are required to strengthen internal controls to reduce the risk of reoccurrence. These include:

- The need to clarify responsibility for the management and coordination of investigations into providers.
- The need to include within the new Serious Concerns Framework, processes for when a provider is placed on red, which ensure that a risk assessment is undertaken on any existing service users, that the providers are asked to voluntarily agree to not take on any more self-funded or direct payment clients until their position improves and for any sub-contracting arrangements they have in place at the time to be reviewed.

- Development through E-Marketplace on how providers are listed to improve transparency and provide better information.
- Work required with the provider of ETMS (Electronic Time Management System) to address system weaknesses identified and to meet the requirement for more robust management reports which will provide assurance to management that providers are using the system correctly.
- Development of a Contract Management Plan to ensure contract monitoring activity is targeted on themed activities and also to providers on a risk based approach.

It should be noted that improvements have already been established by Management, for example the introduction of the Serious Concerns Framework and also considerable progress made by the Contracts and Quality Service Manager in implementing the agreed actions from the Payments to Providers 14/15 audit report.

#### **CYBER SECURITY REVIEW 2015/16.**

Opinion: Amber	27 July 2015	
Total: 11	Priority 1 = 2	Priority 2 = 09
Current Status:		
Implemented	02	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	09	

#### **Overall Conclusion is Amber**

Cyber threats are not new, but the focus on cyber security has increased as a result of many high profile disruptive and damaging security incidents and breaches. This review has focussed on a number of key risk areas in relation to cyber security, however, it should be noted that other computer audit reviews also provide assurance in this area. This includes audits of Windows Active Directory, PSN Compliance, Mobile Computing, Wireless Networks and IT disaster recovery.

An ICT Acceptable Use Policy (AUP) is documented, and along with other security policies, is available on the corporate Intranet. We have reviewed the AUP and found that it should be bolstered in the areas of password security and malware prevention.

All ICT users are required to undertake a mandatory e-learning course on the Acceptable Use of ICT, however, because there are problems with the delivery system and it is being replaced, users who have not completed the course will not be followed up until the new system is implemented in July 2015. ICT are monitoring completion of the course to allow the follow-up action to be taken.

A Security Incident Management Policy has been documented and was approved in January 2015. Users are required to report all security incidents to the ICT service desk where they are logged and forwarded to the Information Governance team for review and investigation. Details of all security incidents are reported to the corporate Information Governance Group. No key risks have been identified in this area.

The network has a number of external gateways and each is secured using a Cisco firewall. The Internet and WAN firewalls are managed by Vodafone and the third-party firewalls are managed by ICT. The firewalls have a number of interfaces, each of which has a rule base to control and restrict network connections and traffic. However, the rule bases are not documented and there is also an outstanding management action from our PSN Compliance audit relating to the monthly interface review. For the firewalls managed by ICT, there which could lead to any potential cyber-attack going undetected. We understand that the firewalls managed by Vodafone have intrusion detection monitoring, although this was not verified. Our testing also identified that some firewalls have a number of redundant user accounts and insecure management interfaces.

Microsoft Forefront Endpoint Protection (FEP) is deployed on the network to protect against malware threats. In addition, all incoming and outgoing emails are checked for malware using a cloud based solution, which utilises a different scan engine to FEP and is configured to block all high-risk file attachments. However, whilst FEP is updated every 8 hours there are no procedures to check that updates have been successfully applied to all computers. Consequently, there is a risk that computers with out of date protection are not identified and could become infected by malware.

ICT have access to an in-house solution that allows them to undertake vulnerability assessments. The SureCloud solution is configured to perform quarterly scans of external facing computers/devices and of computers on the internal network. However, the scope of these scans has not been reviewed following the recent changes to the network and formal action plans are not developed to address the vulnerabilities that are identified. Such vulnerabilities could be exploited in a cyber- attack.

Desktops and laptops are patched with security updates on a monthly basis. There is a phased deployment of these updates to ensure they are tested before being rolled out to all machines. However, servers are not patched on a regular basis and our testing has identified that a number of key servers are missing critical security updates. There is an outstanding management action to address this risk from our Windows Active Directory audit undertaken in 2014/15. ICT acknowledge that the action has not been implemented in accordance with the agreed timescales and are taking steps to address this.

Standard build images are used for clients and servers and access to these are restricted on System Center Configuration Manager. Domain administrator level access is controlled and restricted and standard users do not have any local administrator rights on their workstations. However, there is an

outstanding management action to review and update build and configuration procedures and we have further found that the server build checklist is not printed, completed and signed-off by engineers and thus there is a lack of assurance that the agreed process is being followed.

New user accounts are requested using an on-line form which has to be approved by a person who is set-up on the SAP system as an approver. However, from our sample testing we found that a number of new accounts had been requested and approved by the same person, thus increasing the risk of unauthorised accounts being created. There is an equivalent leaver form for notifying staff leavers so that accounts can be disabled and ICT have recently introduced a new procedure for identifying dormant accounts. There are documented procedures for user administration, however, they are out of date.

### **ICT DISPOSAL OF EQUIPMENT 2015/16.**

Opinion: Red	27 July 2015	
Total: 10	Priority 1 = 04	Priority 2 = 06
Current Status:		
Implemented	06	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	04	

### **Overall Conclusion is Red**

OCC as a Data Controller are responsible under the seventh principle of the Data Protection Act 1998 for having appropriate security in place to prevent personal data from being accidentally or deliberately compromised. This is relevant to IT asset destruction and recycling processes. In 2013, the Information Commissioner's Office (ICO) imposed a record fine of £200,000 on an NHS organisation for failings in their data destruction procedures which led to personal data being compromised. There are some similarities between this case and control weaknesses we have identified as part of this audit review.

There is no documented corporate policy on the disposal of ICT equipment. Whilst ICT Business Delivery are responsible for disposing of all ICT equipment, a formal policy should be documented to define the approach to be adopted, including minimum security standards for data destruction.

There are no documented procedures covering the disposal process, resulting in a lack of clearly defined roles and responsibilities for specific tasks. The details of all assets identified for disposal are logged on an inventory, although our testing found that it was inaccurate and did not record details of everything that was actually being held for disposal. We also identified discrepancies



between the number of items booked for collection by ICT and the number actually collected by the IT disposal company as per their consignment note. The hardware inventory is also not updated to reflect equipment that has been disposed of.

There is no confirmation of the tools/products used by the IT disposal company for data wiping and hence there is risk that data is not fully wiped from equipment and could subsequently be recovered using specialist tools. The reports issued by the IT disposal company, which include a list of the assets they have disposed of, have not been checked and reconciled since January 2013. As such, there is a risk that exceptions are not identified and followed up on a timely basis.

There is no formal contract between OCC and the IT asset disposal company, KMD Recycling Ltd. This is in direct breach of the Data Protection Act 1998, and as a result, no further equipment should be transferred to them until this is resolved. A site visit of KMD’s premises has also not been undertaken to review their operational procedures from a compliance perspective, as advised by the Information Commissioners Office.

**ICT CHANGE MANAGEMENT**

Opinion: Amber	2 September 2015	
Total:	Priority 1 = 0	Priority 2 = 7
Current Status:		
Implemented	0	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	07	

**Overall Conclusion is Amber**

All changes to the ICT environment, including emergency maintenance and patches, should be formally managed and controlled. This helps to manage the risk of negatively impacting the stability or integrity of the “live” environment and the introduction of errors and data corruption.

The documented IT Change Management procedure is dated 2009 and is out of date. It should be reviewed and updated to ensure all relevant staff are aware of the current procedures and processes for making changes to the ICT environment. The change authorisation process and change triage process are documented separately and should be formalised by being included in the revised Change Management procedure.

Change requests are logged and managed on Supportworks, which is ICT’s service management tool. There is a daily Change Advisory Board (CAB) which is responsible for reviewing and approving all major/significant changes. However, we identified some exceptions whereby CAB had not approved

major/significant changes as they had either been logged incorrectly or had been approved at a lower level by the change triage process. Our testing also found that some major/significant changes were not supported by a Data Form, which records key information about the change, including a back-out plan, communication plan and test plan. A formal risk assessment of all major/significant changes is also not undertaken.

There is currently no formal reporting on the change management process, although this being addressed through the development of a dashboard that will provide various performance figures for ICT. Changes that have breached their agreed SLA are automatically escalated within Supportworks.

Urgent changes are covered in the existing Change Management procedure but they are not defined and there are no criteria for when they should be used. This could lead to changes being classed as urgent to avoid following the normal change process.

A corporate approach to testing changes has not been documented and hence there is no requirements guidance available to engineers. The Data Form has a section to record the test plan and we found that it had been completed for the sample of changes that were reviewed. However, the lack of any guidance means that the actual testing undertaken is not recorded and evidenced.

When logging a request for change, Supportworks has the facility to identify all documentation that needs to be updated. However, our sample testing found that this information is not entered and there is no evidence of what documentation has been updated, if any, following the change. This increases the risk of the information held in the CMDB (Configuration Management Database) being out of date.

Division(s): All

## **AUDIT AND GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015**

### **REPORT ON THE AUTHORITY’S POLICY FOR COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND USE OF ACTIVITIES WITHIN THE SCOPE OF THIS ACT**

#### **Report by Head of Law and Governance and County Solicitor**

##### **Introduction**

1. The Regulation of Investigatory Powers Act 2000 (‘the Act’) creates the legal framework for the lawful use of covert surveillance and access to telecommunications data by public authorities. Prior to the introduction of this Act, the use of covert surveillance and access to communications data were not controlled by statute. Codes of Practice issued under this Act contain the detail that public authorities must have regard to when using covert surveillance or accessing communications data.
2. There is no direct sanction within the Act against Local Authorities for failing to comply with its provisions. Nevertheless covert surveillance or accessing communications data by its nature is an interference of a person’s right to a private and family life guaranteed under Article 8 of the European Convention on Human Rights. The consequences of not obtaining prior authorisation in accordance with the Act may mean that any surveillance evidence gathered may be ruled inadmissible by the Court. In addition, the action may be unlawful by virtue of Section 6 of the Human Rights Act 1998 i.e. a failure by the Authority to conduct this work in accordance with human rights conventions.
3. The Codes of Practice under the Act require that elected members review the Authority’s use of the Act periodically and review the Authority’s policy annually. This paper provides a summary of the activities undertaken by Oxfordshire County Council that fall within the scope of this Act for the period from April 2014 to March 2015.

##### **Exempt Information**

4. This report contains no exempt information. However, if specific details of operations or activities are required by the committee it may be necessary for the committee to exclude members of the public from the meeting in order to either-

- a. Prevent the disclosure of information relating to an individual, or
- b. Prevent the disclosure of information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime.

## **Use of the Act by Oxfordshire County Council**

5. Between April 2014 and March 2015 the Council authorised covert surveillance on only 4 occasions. On one such occasion two separate authorisations were granted, making 5 the total number of authorisations in the year. This is a slight increase on the number of authorisations to the previous year as there were only 2 authorisations between April 2013 March 2014. However, it is still significantly fewer authorisations than were granted in previous years. This overall reduction is mainly a consequence of the publication of a new Code of Practice on age restricted products by the Better Regulation Delivery Office (a section of the Department of Business, Innovation and Skills) as reported last year.
6. Monitoring of the sale of age restricted goods such as cigarettes, knives and alcohol to persons under the legal minimum age of purchase involves young volunteers attempting to purchase the relevant product whilst being observed by Trading Standards Officers. This constitutes surveillance and has to be authorised under the RIP Act. The committee will recall that a discussion on this new Code of Practice arose during last year's presentation of the annual report of the Council's activities falling within the scope of the RIP Act. At the time the committee raised concerns about how this Code of Practice limited options for carrying out test purchases of age restricted products. The Code requires that overt methods to prevent the sale of age restricted products to young people should have been attempted and have failed before an authorisation is provided to carry out test purchases with young volunteers. As a result of the discussion at the committee meeting the County Solicitor wrote to the Office of the Surveillance Commissioners raising the committee's concerns. The committee may wish to know that Office of the Surveillance Commissioners guidance has now been changed and that routine test purchases of the sale age restricted products can now be carried out more readily.
7. The following is a summary of the surveillance authorisations provided between April 2014 and March 2015.
  - One authorisation related to a doorstep crime investigation conducted by the Trading Standards Service. This surveillance involved installing a covert camera at the victim's home, with their consent, to record images of any person approaching their front-door.
  - One authorisation was granted to allow Trading Standards staff to purchase 'legal highs' covertly from shops in order to have the products tested for safety.
  - Two authorisations related to a person suspected of selling counterfeit mobile phones from car parks. The authorisations permitted test purchases to be made.

- One authorisation related to a potential insurance fraud relating to a claim against the Council.
- 8. One investigation that involved the use of covert surveillance authorised under the RIP Act was recently concluded in court. The case concerned poor quality building work at an older person's park home. Once alerted to the incident a covert camera was installed at the victim's home. This monitored visitors to the property in case the suspects returned. As a result of the investigation Christopher Meacey and Angel Jay were prosecuted for carry out work without applying appropriate professional diligence and which was either poorly executed, below standard or done without the correct skill, knowledge, expertise and qualifications. Christopher Meacey was also prosecuted for charging an inflated amount for work that had a lesser value.
- 9. Christopher Meacey was sentenced to a 12 month Community Order and requirement to do 100 hours unpaid work with £2,500 compensation to be paid to the victim. He was also ordered to pay Trading Standards costs of £1,250. Angel Jay was sentenced to a nine month Community Order with a supervision requirement for nine months. He was also order to pay the victim £800 compensation and Trading Standards costs of £1,250.
- 10. In the same period there were 22 requests for access to communications data that were authorised (i.e. requests to provide the names and addresses of subscribers of telephone numbers). These all related to a single investigation into the activities of a range of people operating various home repairs businesses. The large number of requests reflects the number of different mobile phones used by the individuals.
- 11. In the previous year there were 4 requests for communications data. All of these requests related to an investigation into the mis-selling of 'green energy' products such as solar panels. This investigation resulted in a prosecution which was heard in Oxford Crown Court in June. After a 5 week trial the three defendants were all found guilty of a range of offences under consumer protection legislation. Sentencing for this case is scheduled for the end of July.

## **Magistrate's Oversight**

- 12. In October 2012 a new requirement for oversight of authorisations of covert surveillance activities was introduced by the Protection of Freedoms Act 2012. All authorisations for covert surveillance activities falling within the scope of the Act granted by local authorities now need Magistrate's approval before they take effect. Since these changes came into force Magistrate's approval has been granted on all occasions that an application has been made.

## **Policy**

- 13. The Authority's Policy on Compliance with the Regulation of Investigatory Powers Act 2000 is annexed to this report. The Policy was updated during 2012 to reflect the changes to the requirements introduced through the

Protection of Freedoms Act 2012. The policy has been reviewed and remains up to date but the committee are invited to comment on any amendments or changes that may be appropriate. Changes will need to be made to the policy shortly to reflect senior management changes with the Council.

### **External Inspection**

14. Public authorities are subject to periodic inspection by the Office of Surveillance Commissioners (OSC). These inspections review the authority's systems of internal control and comment on the appropriateness of authorisations granted under the Act.
15. This authority was last inspected by the OSC in May 2014. The outcome of this inspection was reported to the committee in the last annual report.

### **RECOMMENDATION**

16. **The Committee is RECOMMENDED to consider and note the periodic and annual use of RIPA by Oxfordshire County Council.**

PETER CLARK  
Head of Law and Governance and County Solicitor

Background papers: None  
Contact Officer: Richard Webb; Trading Standards and Community Safety Manager

August 2014

## **1. Introduction**

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use of covert surveillance activities by Local Authorities. Special authorisation arrangements need to be put in place whenever the Local Authority considers commencing a covert surveillance or obtaining information by the use of informants or officers acting in an undercover capacity.
- 1.2 This also includes the use of social media sites for gathering evidence to assist in enforcement activities, as set out below:
- officers must not create a false identity in order to ‘befriend’ individuals on social networks without authorisation under RIPA.
  - officers viewing an individual’s public profile on a social network should do so only to the minimum degree necessary and proportionate in order to obtain evidence to support or refute the suspicions or allegations under investigation
  - repeated viewing of open profiles on social networks to gather evidence or to monitor an individual’s status, must only take place once RIPA authorisation has been granted and approved by a Magistrate
  - officers should be aware that it may not be possible to verify the accuracy of information on social networks and, if such information is to be used as evidence, take reasonable steps to ensure its validity.
- 1.3 Local Authorities do operate covert activities in a number of key areas. Activities can include covert surveillance in relation to Internal Audit and Human Resources where fraud, deception or gross misconduct by staff might be suspected. The legal requirements are now supplemented by codes of practice issued by the Home Office for certain surveillance activities, (covert surveillance activity and covert human intelligence sources) breaches of which can be cited in Court as evidence of failure to abide by the requirements of RIPA. This may mean that the evidence obtained by that surveillance is excluded.
- 1.4 The Council policy is that specific authorisation is required for any covert surveillance investigation. There are only a small number of authorising Officers who can give this permission and these are as follows:
- County Solicitor
  - Designated authorising officer – Trading Standards and Community Safety Manager
- Before authorisation it will normally be necessary to consult with the relevant Deputy Director/Head of Service.
- 1.5 Before seeking authorisation you should discuss the matter with your Line Manager.

1.6 This Policy applies to all services except Trading Standards who have their own specific internal Service procedures for dealing with authorisations. However, copies of all authorisations including those for Trading Standards will be forwarded to the County Solicitor for retention in a central register, and Trading Standards will simply be exempt from the provisions of this policy concerning prior authorisation.

## 2 Definitions

**Surveillance** – includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

**Covert Surveillance** – This is carried out to ensure the person who is the subject of the surveillance is unaware that it is or may be taking place. The provisions of RIPA apply to the following forms of covert surveillance:

- a) **Directed Surveillance** – is covert but not intrusive, is undertaken for the purposes of a specific investigation which is likely to result in the obtaining of private information about a person (targeted or otherwise) e.g. checking staff are making claimed visits, time spent etc.
- b) **Intrusive Surveillance** - Local authorities may not use hidden officers or concealed surveillance devices within a person's home or vehicle in order to directly observe that person.<sup>1</sup>
- c) **Covert Human Intelligence Source (CHIS)** – This is an undercover operation whereby an informant or undercover officer establishes or maintains some sort of relationship with the person in order to obtain private information e.g. test purchasing, telephone calls where the identity of the caller is withheld.

**Deputy Director/Head of Service** – this also includes those authorised to act on behalf of the Deputy Director/Head of Service as set out in clause 7.4.

## 3 RIPA Requirements

3.1 Directed surveillance only falls within the scope of the RIPA if it meets one of the following tests – criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco.

Directed surveillance that does not meet one of these tests will fall outside the scope of the RIPA. In this instance specific authorisation must be sought from the County Solicitor before the activity can take place.

3.2 Basically directed surveillance must be authorised prior to it taking place, be subject to regular review and must be shown to be **necessary and proportionate**. RIPA does not enable a local authority to make any authorisations to carry out intrusive surveillance.

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<sup>1</sup> The Regulation of Investigatory Powers (Extension of Authorisation Provisions: Legal Consultations) Order 2010 [the 2010 Order] provides that directed surveillance carried out in certain premises (e.g. prisons, law firms, police stations) used for the purpose of legal consultations also amount to intrusive surveillance.



- 3.3 All non-intrusive covert surveillance and CHIS requires prior authorisation by the appropriate Local Authority Officer (as set out in this policy) before any surveillance activity takes place. The only exception to this is where covert surveillance is undertaken by way of an immediate response to events that means it was not foreseeable and not practical to obtain prior authorisation.
- 3.4 Judicial approval is also required before any internal authorisations given under RIPA take effect. Once internal authorisation has been granted a specific application to the Magistrates Court will be required.
- 3.5 There is no direct sanction against Local Authorities within the RIPA for failing to seek or obtain authorisation within the organisation for surveillance, nevertheless such activity by its nature is an interference of a person's right to a private and family life guaranteed under Article 8 of the European Convention on Human Rights. The Investigatory Powers Tribunal is able to investigate complaints from anyone who feels aggrieved by a public authority's exercise of its powers under RIPA.
- 3.6 The consequences of not obtaining authorisation and Judicial approval may mean that the action is unlawful by virtue of Section 6 of the Human Rights Act 1998 i.e. a failure by the Authority to conduct this work in accordance with human rights conventions. Obtaining authorisation will ensure the Local Authority's actions are carried out in accordance with the law and satisfy the stringent and necessary safeguards against abuse.

#### **4 Grounds of Necessity**

The authorisation by itself does not ensure lawfulness, as it is necessary also to demonstrate that the interference was justified as both necessary and proportionate. **The statutory grounds of necessity must apply for the purposes of preventing or detecting crime or of preventing disorder.**

#### **5 Proportionality**

- 5.1 Once a ground for necessity is demonstrated, the person granting the authorisation must also believe that the use of an intelligence source or surveillance is proportionate, to what is aimed to be achieved by the conduct and use of that source or surveillance. This involves balancing the intrusive nature of the investigation or operation and the impact on the target or others who might be affected by it against the need for the information to be used in operational terms. Other less intrusive options should be considered and evaluated. All RIPA investigations or operations are intrusive and should be carefully managed to meet the objective in question and must not be used in an arbitrary or unfair way.
- 5.2 An application for an authorisation should include an assessment of the risk of any collateral intrusion i.e. the risk of intrusion into the privacy of persons other than those directly targeted by the operation. Measures should be taken wherever practicable to avoid unnecessary intrusion into the lives of those not directly connected with the operation.

## 6 Confidential Material

Where an investigation may reveal sensitive and confidential material this requires special authorisation by the Chief Executive or his/her delegated Authorising Officer.

## 7 Implementation Procedure

7.1 Deputy Directors/Heads of Service shall be responsible for seeking authorisation for surveillance. They have operational responsibility for ensuring compliance with the requirements of RIPA and Home Office Codes of Practice (Covert Surveillance/Covert Human Intelligence Services, which can be downloaded from the following link <http://homeoffice.gov.uk/counter-terrorism/>) in relation to covert surveillance and covert human intelligence source for their service.

7.2 All applications for authorisation and authorisations must be made in accordance with the procedure and on the appropriate forms: (download forms from the following link: <http://intranet.oxfordshire.gov.uk/cms/content/ripa-policy-surveillance>)

RIPA Form 1 –	Authorisation Directed Surveillance
RIPA Form 2 –	Review of a Directed Surveillance Authorisation
RIPA Form 3 –	Renewal of a Directed Surveillance Authorisation
RIPA Form 4 –	Cancellation of a Directed Surveillance Authorisation
RIPA Form 5 –	Application for Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS)
RIPA Form 6 –	Review of a Covert Human Intelligence Source (CHIS) Authorisation
RIPA Form 7 –	Application for renewal of a Covert Human Intelligence Source (CHIS) Authorisation
RIPA Form 8 –	Cancellation of an Authorisation for the use or conduct of a Covert Human Intelligence Source (CHIS)
RIPA Form 9 –	Application request for Communications Data
RIPA Form 10 –	Application for a Judicial Order

7.3 All requests for authorisation must be forwarded to the County Solicitor who will maintain a central record for inspection. The County Solicitor will monitor the central register periodically and produce an annual report to CCMT and Audit & Governance Committee. Renewal of authorisations will be for 3 months and cancellation<sup>2 3</sup> of authorisations should be requested as soon as possible i.e. as soon as the surveillance is no longer considered necessary. Judicial approval is required for the renewal of an authorisation but it is not required for any internal review or cancellation.

7.4 The Authorising Officers may authorise a person to act in their absence, the substitute will be a Senior Manager and who will have overall management responsibility for the operation/investigation. A list of all current named Authorising Officers and named substitutes will be included in the central

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<sup>2</sup> All cancellations must be made in compliance with OSC guidance note 145

<sup>3</sup> Office of the Surveillance Commissioner – Procedures and Guidance

register and appended to this Policy (Appendix 1). The County Solicitor will approve all proposed Authorising Officers for inclusion in a central register. The annual report to CCMT and Audit & Governance Committee will also include a review of the appropriate designated Authorising Officers.

- 7.5 All Managers have responsibility for ensuring that they have sufficient understanding to recognise when an investigation or operation falls within the requirements of RIPA. Authorising Officers will keep up to date with developments in the law and best practice relating to RIPA.
- 7.6 Authorising Officers must ensure full compliance with the RIPA Authorisation Procedure set out in the appropriate forms in 7.2 above.
- 7.7 Authorising Officers and Deputy Directors/Heads of Service will co-operate fully with any inspection arranged by the Office of Surveillance Commissioners.
- 7.8 RIPA Coordinator (Trading Standards and Community Safety Manager)

The role of the RIPA coordinator is to have day-to-day oversight of all RIPA authorisations and maintain a central register of all authorisations, review dates, cancellations and renewals.

All forms should be passed through the coordinator to ensure that there is a complete record of all authorisations, contents of the forms will be monitored to ensure they are correctly filled in and the coordinator will supply quarterly statistics to the Senior Responsible Officer (County Solicitor/Monitoring Officer).

**The Coordinator will also monitor training requirements and organise training for new staff as appropriate, and ensure continued awareness of RIPA throughout the council via staff information on the Council's Intranet.**

## **8 Communications Data**

- 8.1 Part I of RIPA sets out these requirements. The Council can access certain communications data only "for the purpose of preventing or detecting crime or of preventing disorder". The exception to this is for the Fire Control Officer in an emergency for the purposes of preventing death or injury.

Despite what some commentators claim the Council does not have an automatic legal right to intercept (i.e. "bug") phones or listen into other people's telephone conversations. The primary power the Council has is to obtain certain details (e.g. name and address) of a telephone subscriber from communication service providers (CSP) such as: BT, Vodafone, Orange etc.

Monitoring of calls may be necessary for legitimate employment purposes but will be subject to the same authorisation requirements as set out in this policy.

8.2 The applications to obtain communications data, other than for the prevention of death or injury as in 8.1 above, must be made by a Home Office designated “Single Point of Contact (SPOC)”. Arrangements are in place to enable the authority to access communications data via a third party “SPOC”. Requests must be forwarded to the Trading Standards and Community Safety Manager who will consult with the relevant Deputy Director/Head of Service. If the Trading Standards and Community Safety Manager agrees the request is within the scope of RIPA he will make arrangements for the request to be processed via the SPOC.

8.3 The concept of the “SPOC” has been agreed between the Home Office and the CSP and introduces a verification process to ensure that only data entitled to be obtained is so obtained. Judicial approval of the application is required and the SPOC will not obtain any communications data without evidence of judicial approval.

## **9 Briefings**

The County Solicitor will provide updates on the RIPA legislation and best practice but Deputy Directors/Heads of Service and other Managers must be able to recognise potential RIPA situations.

## **10 Conclusion**

The benefit of having a clear and regulated system of authorising all covert activities is self-evident. Surveillance by its very nature is intrusive and therefore should be subject to appropriate scrutiny at the highest level and the authorisation procedure requires that the reasons for the decision are specifically and clearly set out and the basis for the decision is readily accessible and understood. Completion of appropriate authorisations also means that in reaching a decision alternative options will also have been fully explored. Proper compliance with the procedure and properly recorded authorisations are the best defence should any of our investigations be challenged.

## **11 Review of Authorisations and Policy**

The Council’s “Audit and Governance Committee” will review:

- all authorised RIPA applications quarterly; and
- receive an annual report from the County Solicitor on the operation of the Policy; and
- review the policy annually to ensure it remains compliant with current legislation, relevant codes of practice and continue to meet the responsibilities of the council.

**Senior Responsible Officer:** County Solicitor and Monitoring Officer

**RIPA Coordinator:** Trading Standards and Community Safety Manager

**Date:** December 2014

**Next Review Date:** December 2015

## **Appendix 1 – Authorising Officers and Named Substitutes**

\*Authorising Officer – Peter G Clark County Solicitor and Monitoring Officer

\*Named Substitute – Lorna Baxter S151 Officer

Authorising Officer – Richard Webb, Trading Standards and Community Safety Manager

\*\*Confidential Material Special Authorisation – Joanna Simons Chief Executive

\*\*Named Substitute – Lorna Baxter S151 Officer

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Division(s):

## **AUDIT & GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015**

### **GOVERNANCE ARRANGEMENTS**

#### **Report by the Head of Law and Culture**

#### **Introduction**

1. As a result of the current Chief Executive leaving the Council at the end of September 2015, the Committee at its last meeting asked for assurance that the Council's corporate governance arrangements would continue to be fully managed.
2. This followed the Council's intention to appoint Mr Peter Clark as the Head of Paid Service and, consequently, to appoint Mr Nick Graham as the Council's Monitoring Officer with effect from the cessation of the current Chief Executive's employment with the Council.
3. This report sets out the planned arrangements to give appropriate assurance to the Committee as to how the corporate governance framework is to be maintained and the management arrangements that will be put in place going forward.

#### **Background and proposal**

4. In view of the Chief Executive leaving the authority, it was necessary for the Council to appoint a successor to the role of Head of Paid Service. In expressing its intention to appoint Mr Peter Clark, it was necessary for a further appointment to be made to the role of Monitoring Officer as the law does not allow the same person to fulfil both of these statutory roles. The Council expressed its intention to appoint Mr Nick Graham, Deputy Head of Law & Culture, to this role.
5. In short, the process through which the Council arrived at this decision was a statutory one, the regulatory requirement being incorporated into the Council's Constitution. In the first instance, the Remuneration Committee made recommendations to Council as to the person to be appointed as Head of Paid Service (and consequently as Monitoring Officer). Council considered the recommendation and nominated Mr Clark and Mr Graham respectively. Cabinet members were duly consulted on these nominations and as they had no objections to them, Council then met to make its final determination.
6. This intended change was reported to this Committee in July. The Committee noted the proposed change and asked for clarification as to how this change might impact on the monitoring of the Council's corporate governance arrangements.

7. The proposed changes will not significantly alter the management of the Council's governance arrangements which will continue to be delivered robustly, with no loss of focus.

### **Key areas of governance**

8. The Council's internal sources of corporate governance assurance, overseen by this Committee, are set out in the Council's **Corporate Governance Assurance Framework** and be summarised as follows:
- **Audit & Governance Committee:** the body with delegated responsibility for overseeing the Council's governance arrangements. Currently attended by the Monitoring Officer and the Chief Internal Auditor (or their representatives where necessary)
  - **Performance Scrutiny Committee:** the body with responsibility for reviewing performance and exercising rights of call-in
  - **County Council Management Team:** ensures internal control issues are properly addressed and that cross-cutting directorate risks are included in the Council's Strategic Risk Register
  - **Audit Working Group:** working group reporting to the Audit & Governance Committee with responsibility for overseeing a first draft of the Annual Governance Statement and receiving reports on its action plan.
  - **Corporate Governance Working Group:** assists the Monitoring Officer in reviewing awareness of and compliance with governance policies.
  - **Corporate Governance Assurance Group:** currently chaired by the Monitoring Officer and oversees the assurance framework including the process of contribution from the Corporate Lead Officers.
  - **Information Governance Group:** officer group chaired by Deputy Head of Law and Culture and responsible for the implementation and awareness of data and information governance policies and compliance, including data security
  - **Annual Governance Statement:** statutory requirement to prepare and publish a Statement on the effectiveness of the Council's governance controls. Prepared by the Corporate Governance Assurance Group, with contributions from established Corporate Lead Officers and approved by this Committee
  - **Head of Paid Service:** responsibility for the manner in which the Council's functions are discharged and co-ordinated; responsibility for the number and grade of officers and for the discharge of the functions and organisation of officers
  - **Chief Finance Officer (Section 151 Officer):** statutory responsibility for the proper administration of the Council's financial affairs and that expenditure is lawful; responsibility for the promotion of good financial management
  - **Monitoring Officer:** statutory responsibility for ensuring the lawfulness of the Council's decision making; reporting to Council on any proposal which may lead to maladministration; reviewing members' governance; ensuring



governance policies are up to date and reviewing the effectiveness of internal audit

- **Chief Internal Auditor:** statutory officer with responsibility for the Internal Audit function. Contributes to the Annual Governance Statement
- **Corporate Lead Officers:** designated persons with responsibility for delivering annual statements on their assurance mechanism. This includes, for example, the area of *Legislation*, currently overseen by the Head of Law & Culture
- **Standard of behaviour and codes of conduct:** councils are required to adopt Codes of Conduct for officers and councillors
- **Constitution:** keeping the Constitution under review and reporting to Council on any potential amendments other than those required for clarity or to reflect legislative changes. The responsibility is delegated to the Monitoring Officer.

### Changes in coverage

9. In summary, the key changes necessitated by the senior staffing appointments relate only to the division of responsibilities between the newly appointed Head of Paid Service and the newly appointed Monitoring Officer. Between them they will ensure continued coverage of all of the governance areas previously overseen by the Chief Executive and the Monitoring Officer. There are no changes to the key areas of participation already given by other designated officers/roles e.g. Chief Finance Officer and Chief Internal Auditor.
10. As such, the only changes necessary to the coverage of the governance arrangements have been as follows. As you will see, in some instances, the person with responsibility (Mr Clark/Mr Graham) will be different; otherwise the person will remain the same but the capacity in which they will fulfil the role will change (for example, the Corporate Governance Assurance Group).

<b>Governance Area</b>	<b>Previous Coverage</b>	<b>From 1 October</b>
Audit & Governance Committee	Monitoring Officer (Peter Clark) In addition to the Chief Internal Auditor (Ian Dyson)	Monitoring Officer (Nick Graham) In addition to the Chief Internal Auditor (Ian Dyson)
County Council Management Team	Chief Legal Officer/Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark) and in addition Monitoring Officer (Nick Graham)
Audit Working Group	Monitoring Officer (Peter Clark) In addition to the	Monitoring Officer (Nick Graham) In addition to the

<b>Governance Area</b>	<b>Previous Coverage</b>	<b>From 1 October</b>
	Chief Internal Auditor (Ian Dyson)	Chief Internal Auditor (Ian Dyson)
Corporate Governance Working Group	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Corporate Governance Assurance Group	Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark) in addition to Monitoring Officer (Nick Graham)
Annual Governance Statement	Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark)
Standards of behaviour and codes of conduct	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Constitution	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Oxfordshire Safeguarding Children's Board	Monitoring Officer (Peter Clark)	Head of Law & Culture (Nick Graham) or delegated substitute

## **Conclusion**

11. There will be no diminution in the senior officer oversight of the Council's governance arrangements. The areas of responsibility of the Chief Finance Officer and the Chief Internal Auditor will not change. The main amendments needed are simply those necessary to reflect the appointment of the new Monitoring Officer.

## **RECOMMENDATION**

**The Committee is RECOMMENDED to comment on and note the limited amendments to senior officer responsibilities for governance outlined in paragraph 10 of this report.**

PETER CLARK  
Monitoring Officer and Head of Law and Culture

September 2015.

Division(s):

## **AUDIT & GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015**

### **COUNTY RETURNING OFFICER APPOINTMENT**

#### **Report by the Chief Human Resources Officer**

#### **Introduction**

1. As a result of the current Chief Executive leaving the Council at the end of September 2015, it is a legal requirement for the Council to appoint a new **County Returning Officer**.
2. The Council is required to appoint a County Returning Officer under Section 35(1) of the Representation of the People Act 1983. The Returning Officer is responsible for the arrangement of elections to the County Council.
3. Under the Council's Constitution, the Audit & Governance Committee retains delegated responsibility for appointing the Council's Returning Officer and it is for the Committee to appoint a suitably qualified person to fulfil the role.

#### **Background and proposal**

4. It is generally the chief executive who is appointed as a council's returning officer<sup>1</sup>. In July 2015, in view of the Chief Executive leaving the authority, Full Council removed this Council's Constitutional provision that the returning officer be chief executive. This enables the Committee to appoint any person with the requisite skills and experience. A returning officer must have a working knowledge of the relevant legislation governing the conduct of elections. A county returning officer is personally responsible for the administration of the authority's county council elections and for ensuring that that the experience of voters and those standing for elections is a positive one. This includes making sure that lawful procedures are followed, for example, for:
  - Obtaining nominations
  - Arrangements for the printing ballot papers and the provision of polling stations
  - Appointing relevant staff such as presiding officers and poll clerks
  - Securing effective counting of the votes
  - Declaration of the results<sup>2</sup>

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<sup>1</sup> Solace Enterprises publication, *Running Elections*, Roger Morris and Mark Heath, p.67.

<sup>2</sup> Electoral Commission guidance on Returning Officer responsibilities in local government elections, 2014.

5. Given the requirements of the role, I am recommending the Committee to consider appointing Mr Peter Clark, the current Chief Legal Officer, as the Council's Returning Officer.
6. This is because, Mr Clark, as Chief Legal Officer and Head of Law and Culture, has significant legal and managerial experience of overseeing the Council's elections, having served as Deputy Returning Officer at successive elections. As Head of Law and Culture, he has also had responsibility for the wider democratic and governance framework for elected members, including code of conduct matters. As such, having regard to the responsibilities of the role in paragraph 4, Mr Clark is currently the most sufficiently experienced person, and with the requisite legal knowledge, to fulfil the role of County Returning Officer.

### **Legal and procedural implications**

7. The legal implications have been identified in this report. It is important to reiterate that the Council must appoint a person to be the County Returning Officer to ensure continuity and compliance.
8. As such, the Committee is asked to confirm that such an appointment would take effect on the cessation of the current Chief Executive's employment with the Council.

### **RECOMMENDATION**

**The Committee is RECOMMENDED to appoint Mr Peter Clark, the current Chief Legal Officer, as the County Returning Officer for the Council, with effect from the cessation of the current Chief Executive's employment with the Council.**

STEVE MUNN  
Chief Human Resource Officer.

Background Papers: Nil  
Contact Officer: Steve Munn: (01865) 815159

## **AUDIT and GOVERNANCE COMMITTEE – 16 September 2015**

### **REPORT OF THE AUDIT WORKING GROUP (AWG)**

The Audit Working Group met on 3 September 2015

The meeting was attended by:

Dr Geoff Jones – Chairman; Cllr D Wilmshurst; Cllr S Lovatt; Cllr R Smith; Cllr N Hards; Cllr J Hannaby; Lorna Baxter; and Ian Dyson

Part meeting only: AWG15.13 Dave Luke

#### **Matters to report:**

##### **AWG 15.13 Oxfordshire Fire and Rescue Service Risk Register**

The Group considered the risk management process within the Fire and Rescue Service reviewing the current risk register and risk mitigation plan. There were no issues arising.

##### **AWG 15.14 Internal Audit Update**

The Chief Internal Auditor confirmed a new team structure, establishing a business assurance function, has been agreed, and that recruitment to vacant posts is active. The Group acknowledged that delivering the new strategy and service activity was a work in progress, but was concerned that they should receive regular and detailed updates on the planned and reactive work of each of the assurance based functions within the new structure; seeking assurance that the scope of the activities provides an appropriate level of independent checking of systems and controls in particular the financial systems.

The report highlighted that the audit of ICT Disposal of Equipment resulted in a Red opinion, concluding that existing controls were not adequate to mitigate risks in this area. The Group was particularly concerned at the outcome of the audit, in the context of the regular stories that appear in national media regarding data protection and loss of data. The Senior Manager will be asked to provide assurance at the next meeting that action has been taken to address the issues, and that it has been effective.

The Group reviewed the current position on implementation of management actions arising from internal audit reports. It was noted that an outstanding priority 1 action from the 2014/15 Client Charging audit has had the target date regularly deferred from the original target of October 2014, to the latest target of 30 September. The Group has requested an explanation and update at the next meeting.

**RECOMMENDATION**

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

LORNA BAXTER  
Chief Finance Officer

Contact: Officer: Ian Dyson, Chief Internal Auditor Tel 01865 323875  
[ian.dyson@oxfordshire.gov.uk](mailto:ian.dyson@oxfordshire.gov.uk)

**AUDIT WORKING GROUP**  
**WORK PROGRAMME 2015/16**

**15 October 2015 - 14:00 - 16:00 (Audit & Governance meeting 18 November 2015)**

- Risk Management Update
- CEX Risk Register
- Directorate annual risk management review (CEF)
- Management Update - Transport (CEF/EE)
- Management response – Disposal of ICT
- Management Update – Client Charging actions.

**05 November 2015 - 14:00 - 16:00 (Audit & Governance meeting 13 January 2016)**

- Internal Audit Update

**09 December 2015 (WEDNESDAY) - 14:00 - 16:00 (Audit & Governance meeting 13 January 2016)**

- Risk Management Update
- Directorate annual risk management review (EE)

IAN DYSON  
Chief Internal Auditor

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## AUDIT & GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015 WORK PROGRAMME 2015

### 2015

#### Wed 25 February 2015

SCS LEAN and IT system update (Kate Terroni)  
Audit Committee Annual Report to Council 2014 (David Illingworth)  
Council request to look at Demographics of Council. (Peter Clark)  
Update on Hampshire Partnership (Lorna Baxter)  
NFI Audit Committee Checklist (Ian Dyson)

#### Wed 22 April 2015

Internal Audit Services – Internal Audit Strategy & Annual Plan  
Update on Hampshire Partnership (Lorna Baxter)  
Review of Effectiveness of Internal Audit (Peter Clark)  
External Auditors Progress Report (EY)  
External Auditors Grant Claim Report (EY)

#### Wed 8 July 2015

Corporate Lead Presentation – (Alexandra Bailey)  
Update on Hampshire Partnership (Lorna Baxter)  
Annual Governance Statement - 2013/2014 (David Illingworth)  
Annual Report of the Monitoring Officer (Peter Clark)  
Annual Report of the Chief Internal Auditor (Ian Dyson)  
Statement of Accounts 14/15 (Lorna Baxter)  
Treasury Management Outturn 2014/15  
Fire & Rescue Service Statement of Assurance 14/15  
Progress Report -EY

#### 16 September 2015

Final Accounts 14/15 (Lorna Baxter)  
Local Government Ombudsman's Review of Oxfordshire County Council (Peter Clark)  
Annual Results –EY  
Internal Audit Plan – Progress report (Ian Dyson)  
RIPA (Richard Webb)

#### 18 November 2015

Annual Letter ( EY)  
Treasury Management Mid Term Review (Lewis Gosling)  
Annual Governance Statement – Action Plan Progress

#### January 2016

Treasury Management Strategy (Lewis Gosling)  
Internal Audit Plan Update and Progress

***Standing Items:***

- Audit Working Group Reports  
(Ian Dyson)
- Audit & Governance Committee Work Programme – update/review  
(Committee Officer/Chairman/relevant officers)
- Future of Adult Social Care in Oxfordshire – Regular Progress update on  
Implementation Plan (**Quarterly**)

***Other matters***

Risk Management Strategy (Annual Report)

Risk Management Annual Report (Ian Dyson)

Appeals & Tribunals sub-Committee – details of recommendations resulting from appeals to the Home to School Transport Appeals, and Pension Benefits sub-Committee at which issues of dismissal and redundancy were decided,

Partnerships – Progress Report