



To: Members of the Audit & Governance Committee

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

Wednesday, 14 September 2016 at 2.00 pm

Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND

Peter G. Clark
County Director

September 2016

Contact Officers: Colm Ó Caomhánaigh, Tel 07393 001096; E-mail:
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Membership

Chairman – Councillor Sandy Lovatt
Deputy Chairman - Councillor David Wilmshurst

Councillors

David Bartholomew
Yvonne Constance OBE
Tim Hallchurch MBE

Nick Hards
Alison Rooke
Roz Smith

John Tanner

Co-optee

Dr Geoff Jones

Notes:

- **Members of the Audit & Governance Committee are requested to attend a private meeting with the external auditors, Ernst & Young, preceding the Committee meeting, from 1pm in the Members' Board Room.**
- **There will be a pre-meeting briefing at County Hall on Thursday 8 September 2016 at 2pm in the Members' Board Room for the Chairman, Deputy Chairman and Opposition Group Spokesman.**
- **Date of next meeting: 9 November 2016**

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 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 13 July 2016 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

5. Presentation by the Director for Transformation

2.10 pm

Presentation by the Director for Transformation.

6. Final Accounts 2015/16 (Pages 11 - 246)

2.50 pm

Report by the Chief Finance Officer (**AG6**)

The Accounts and Audit Regulations 2015 require the Chief Finance Officer to sign the Statement of Accounts 2015/16 no later than 30 June 2016 and certify that they give a true and fair view of the County Council's financial position and income and expenditure for the year. The Regulations require the Statement of Accounts to be considered by a committee of the Council by 30 September 2016 and, following that consideration, to be approved by a resolution of that committee.

The Committee is RECOMMENDED to:

- a) **Note the Summary Accounts 2015/16 at Annex 1;**
- b) **Consider and approve the Statement of Accounts 2015/16 at Annex 2;**
- c) **Consider and approve the Letter of Representation 2015/16 for the Oxfordshire County Council accounts;**
- d) **Consider and approve the Letter of Representation 2015/16 for the Oxfordshire Pension Fund accounts;**
- e) **Agree that the Chief Finance Officer, in consultation with the Chairman of the Committee, can make any further changes to the Statement of Accounts 2015/16 and/or the letters of representation that may arise during completion of the audit.**

7. External Auditors (Pages 247 - 272)

3.10 pm

A representative from the external auditors, Ernst & Young will attend to present the following item:

- Final Accounts Audit

8. Annual Governance Statement

3.30 pm

The Chief Legal Officer reports as follows:

The County Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Corporate Governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions and lead and control their functions, to achieve their objectives. The quality of corporate governance is a key determinant of the quality of the services that we provide. The **Annual Governance Statement** explains how the County Council has complied with the Code in 2015/16 and meets the requirement of the Accounts and Audit Regulations 2015 to produce such a Statement.

The Annual Governance Statement includes an update on actions that were to be carried out during 2015/16. It also lists new actions for 2016/17. The separate statement of assurance needed by the Fire and Rescue service is also mentioned.

As previously reported to the Committee, the timing of the Committee receiving the Annual Governance Statement (AGS) has changed as a result of the requirement to publish the Annual Governance Statement alongside the draft statement of accounts prior to the start of the public inspection period. Consequently, the Audit Working Group considered the AGS on 26 May 2016 to ensure a version could be published with the accounts. Therefore the Committee is now receiving the published version in September and not a draft version in July as was the previous practice before the 2015 Regulations took effect.

To avoid duplication, the Annual Governance Statement has only been included once within the agenda, under the item on the Statement of Accounts. Consideration of the Statement under this item will therefore require cross-reference to those papers.

The Committee is RECOMMENDED to approve the Annual Governance Statement 2015/16, subject to the Chief Legal Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, Chief Executive and Section 151 officer.

9. Update on Financial Control Improvement Plan (Pages 273 - 286)

3.50 pm

Report by the Chief Finance Officer (**AG9**)

In July 2016 the Committee received a report outlining the Financial Control Improvement Plan established to address weaknesses previously identified and to provide efficient financial management systems, policies and procedures that will support the Council in delivering effective services to our customers. This paper provides the first progress report to the Committee.

The Committee is RECOMMENDED to

- a) Note the report;**
- b) Request the Audit Working Group routinely review the actions taken; and,**
- c) Receive a further progress report at the next Committee meeting on 9 November 2016.**

10. Internal Audit Plan - Progress Report (Pages 287 - 302)

4.10 pm

Report by the Chief Internal Auditor (**AG10**)

This report provides an update on the Internal Audit Service, including resources, completed and planned audits and an update on counter-fraud activity.

The committee is RECOMMENDED to note the progress with the 16/17 Internal Audit Plan and 16/17 Counter Fraud Plan and the outcome of the completed audits.

11. Local Government Ombudsman's Review of Oxfordshire County Council (Pages 303 - 316)

4.30 pm

Report by the Chief Legal Officer (**AG11**)

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. The report to this Committee therefore informs members about the LGO's Annual Review Report for Oxfordshire County Council for the year 2015/16.

In short, fewer complaints about the Council have been upheld by the Ombudsman in 2015/16, compared to the previous year, even with slightly more complaints being referred to her. Put into the context of county council performance generally, the

Council is the third lowest in the number of complaints submitted to the Ombudsman per 100,000 residents and has the fifth lowest number of upheld complaints per 100,000 residents. This remains encouraging and continues to suggest that the Council's system of control expressed through its own complaints processes is working well.

This is not a case for complacency however and this report sets out the LGO's findings, the wider context and also details the complaints upheld by her office.

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 2015/16.

12. Scale of Election Fees and Expenditure 2016-17 (Pages 317 - 324)

4.50 pm

Report by the Chief Legal Officer and Monitoring Officer (**AG12**)

Each year the Council needs to set a scale of election fees and expenditure for the holding of elections of county councillors. The Committee are requested to approve the proposed Scale of Expenditure as set out for any by-elections of County Councillors that may be held during 2016/17.

The same scale of expenditure will be used for any local referendums e.g. a council tax or mayoral referendum.

The Committee is RECOMMENDED to approve the Scale of Expenditure for the financial year 2016/2017, as shown in Annex A to this report, for the election of County Councillors and any other local referendums.

13. Regulation of Investigatory Powers Act (Pages 325 - 336)

5.00 pm

Report by the Chief Legal Officer (**AG13**)

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

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

This paper 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 2015 to March 2016. 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.

The Committee is RECOMMENDED

- a) to consider and note the use of activities within the scope of RIPA by Oxfordshire County Council, and
- b) to comment on any changes to the Policy for Compliance with the Regulation of Investigatory Powers Act 2000 that the committee would wish the Monitoring Officer to consider.

14. Audit Working Group Report (Pages 337 - 338)

5.10 pm

Report by the Chief Finance Officer (**AG14**)

This report presents the matters considered by the Audit Working Group Meeting of 1 September 2016.

The Committee is RECOMMENDED

- a) to note the report; and
- b) to review and confirm the membership of the Audit Working Group in line with the agreed terms of reference.

15. Audit & Governance Committee Work Programme (Pages 339 - 340)

5.20 pm

To review the Committee's Work Programme (**AG15**)

Close of meeting

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