



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

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

Wednesday, 11 January 2017 at 2.00 pm

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

Peter G. Clark
County Director

December 2016

Contact Officers: *Colm Ó Caomhánaigh, Tel 07393 001096; E-mail:
colm.ocaomhanaigh@oxfordshire.gov.uk*

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:

- ***There will be a pre-meeting briefing at County Hall on Thursday 5 January 2017 at 2pm for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 8 March 2017***

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 **07776 997946** 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 - 4)

To approve the minutes of the meeting held on 14 December 2016 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

5. Internal Audit 2016/17 Progress Report (Pages 5 - 24)

2.10pm

Report by the Chief Finance Officer (**AG5**).

This report provides an update on the Internal Audit Service, including resources, completed and planned audits and an update on counter-fraud activity for 2016/17.

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.

6. Update on Financial Control Improvement Plan (Pages 25 - 30)

2.30pm

Report by the Chief Finance Officer

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 a progress report to the Committee.

The Committee is RECOMMENDED to note the report.

7. Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18 (Pages 31 - 56)

2.50pm

Report by the Chief Finance Officer.

The report contains the annual Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18 in compliance with the CIPFA Code of Practice. The report sets out the borrowing and investment strategies for 2017/18 and relevant background information.

The Committee is RECOMMENDED to:

- a) **endorse the Treasury Management Strategy for 2017/18 as outlined in the report;**
- b) **note that due to the early timing of this report, Prudential Indicators i to vi have not been included in Appendix A as they are dependent on updates to the 2017 capital programme. Full indicators will be included when the report is considered by Council in February.**

8. Hampshire Partnership - HR Update (Pages 57 - 76)

3.10pm

Report by the Chief HR Officer (**AG8**).

This report gives an update on HR services delivered through the Hampshire Partnership – Integrated Business Centre (IBC) after 18 months of working. It provides an update on actions identified in July 2016, reports on an on-going review of payroll configuration and highlights further issues which have emerged since this committee last received a report from officers.

The Committee is RECOMMENDED to note the current position and agree that a further update be provided in 6 months once the outcome of the formal Review of OCC Payroll Configuration has been completed, any implications for OCC identified, and required remedial actions fully documented.

9. External Auditors (Pages 77 - 94)

3.30pm

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

- Audit Plan

10. Progress update on Annual Governance Statement Actions (Pages 95 - 100)

3.50pm

Report by the Chief Legal Officer and Monitoring Officer (**AG10**).

The Audit & Governance Committee approved the Annual Governance Statement for 2015/16 in September 2016. This included eight actions to be followed up by the relevant corporate lead and/or directorates during 2016/17. This report gives a progress update on each of these actions as at the end of December 2016.

The Committee is RECOMMENDED to note the progress on the actions.

11. Constitution Review (Pages 101 - 104)

4.10pm

Report by Chief Legal Officer and Monitoring Officer (**AG11**).

Under the Constitution, the Monitoring Officer is required to monitor and review the operation of the Constitution to ensure that its aims, principles and requirements are given full effect. This includes making recommendations to Council on any necessary amendments. The Monitoring Officer is authorised to make any changes to the Constitution which are required to:

- Comply with the law
- Give effect to the decisions of Council (or Cabinet, Committees etc.)
- Correct errors and otherwise for accuracy or rectification

Other changes will only be made by Full Council, following a recommendation of the Monitoring Officer.

The Committee is RECOMMENDED to:

- a) **endorse the proposed change to the Council Procedure Rules outlined at paragraph 6 of this report (Financial Procedure Rules, write off provisions);**
- b) **agree to the Monitoring Officer proposing the change for Full Council's approval; and**
- c) **note the changes made to the Constitution by the Monitoring Officer under delegated powers since December 2015 (i.e. since the last annual Constitution Review report to Council).**

12. Audit Working Group Report (Pages 105 - 106)

4.20pm

Report by the Chief Finance Officer (**AG12**).

This report presents the matters considered by the Audit Working Group Meeting of 14 December 2016

The Committee is recommended to note the report.

13. Work Programme (Pages 107 - 108)

4.30pm

To review the Committee's Work Programme (**AG13**).

Close of meeting

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