

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 6 September 2017 commencing at 2.00 pm and finishing at 5.00 pm

Present:

Voting Members: Councillor Nick Carter – in the Chair
Councillor Tony Ilott (Deputy Chairman)
Councillor Paul Buckley
Councillor Ian Corkin
Councillor Helen Evans
Councillor D. McIlveen
Councillor Roz Smith
Dr Geoff Jones
Councillor Mike Fox-Davies (In place of Councillor Charles Mathew)
Councillor Michael Waine (In place of Councillor Les Sibley)

Non-voting Members: Dr Geoff Jones

By Invitation: Paul King and Alan Witty, Ernst & Young

Officers:

Whole of meeting Lorna Baxter, Director of Finance; Nick Graham, Director of Law and Governance and Monitoring Officer; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Colm O Caomhánaigh, Committee Officer.

Part of meeting

Agenda Item	Officer Attending
5	Stephanie Skivington, Strategic Finance Manager (Accounting and Reporting); Lucy Butler, Director for Children's Services; Benedict Leigh, Deputy Director Joint Commissioning.
8	Graham Shaw, Director of Customer Experience; Kate Macleod, Deputy Director of Customer Experience.
9	Richard Webb, Head of Community Protection Services
10,11	Glenn Watson, Principal Governance Officer

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and additional documents, copies of which are attached to the signed Minutes.

48/17 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Councillor Charles Mathew (Councillor Mike Fox-Davies substituting) and Councillor Les Sibley (Councillor Michael Waine substituting).

49/17 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest.

50/17 MINUTES

(Agenda No. 3)

The minutes of the meeting of 5 July 2017, as circulated in the Addenda, were approved and signed.

The Chairman asked the Secretary to seek updates from the Director for Infrastructure Delivery on two points noted in the minutes:

- The latest assessment of the highways contract and decision on whether to extend it or not.
- A factsheet to be circulated to Members.

Councillor Roz Smith reminded Members to send in questions in advance for the discussion on the highways contract at the November meeting.

Dr Geoff Jones noted that the Carillion contract is on the agenda for the October meeting of the Audit Working Group on Wednesday 18 October 2017 at 2pm and all Members are welcome to attend.

51/17 STATEMENT OF ACCOUNTS 2016/17

(Agenda No. 5)

Ms Skivington introduced the report on the Statement of Accounts. A small number of changes had been agreed with Ernst & Young since the draft. Addenda 2 includes extra information requested by Members.

Councillor Helen Evans asked if the narrative report sufficiently recognised risks relating to increased demand on child services following the closure of centres and also the problems of delayed discharges and closure of care agencies. She suggested that future reports focus on outcomes rather than outputs.

Ms Butler responded that the increased demand on social care is a national trend and may result from increased awareness. She emphasised that preventative services are still there but are now more targeted. The Council is working hard with partners on early intervention.

Mr Leigh described the difficulties for care providers in recruitment – particularly in Oxfordshire. The reablement service commissioned from the NHS is only operating at 60% due to the same problem.

Councillor Michael Waine asked for further information to be provided to him on Hill End Trust Fund.

Councillor Ian Corkin asked if the plans by central government to end the National Funding Formula transitional protections by the end of 2020 should be reflected under Plans for future service delivery. Ms Baxter responded that government funding is very certain up to 2019/20. There will then be a shift to reliance on business rates and council tax but this doesn't impact on the current year budget.

Councillor Roz Smith asked if any changes agreed with the chairman under point f) of the recommendations could be communicated to Committee Members. Ms Baxter responded that it would depend on the complexity of any change – more complex issues would be addressed at the next meeting.

RESOLVED to:

- (a) Consider and approve the Statement of Accounts 2016/17 at Annex 1;**
- (b) Note the Summary Accounts 2016/17 at Annex 2;**
- (c) Agree that no changes are required to the Annual Governance Statement, previously approved by the Committee on 26 April 2017;**
- (d) Consider and approve the Letter of Representations 2016/17 for the Oxfordshire County Council accounts at Annex 3;**
- (e) Consider and approve the Letter of Representations 2016/17 for the Oxfordshire Pension Fund accounts at Annex 4;**
- (f) Agree that the Director of Finance, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2016/17 and / or letters of representation that may arise during completion of the audit.**
- (g) note the revisions to Notes 12 and 16 set out in Addenda 2.**

52/17 EXTERNAL AUDITORS

(Agenda No. 6)

Mr King summarised the OCC Audit Results Report and Mr Witty summarised the Oxfordshire Pension Fund Audit Results Report.

On the objection related to LOBO loans Mr King reported that their provisional view was not to uphold.

A notice of objection has been received relating to investment in fossil fuels and climate change which they have first to consider if it is an eligible objection.

Members asked about the likelihood of the auditors challenging valuations. Mr King stated that they would be looking for valuations to be within a reasonable range. He added that they do challenge valuations and in one case for another authority there was an adjustment of £92 million following their review.

RESOLVED: that the Committee notes the reports.

53/17 INTERNAL AUDIT PLAN - PROGRESS REPORT 2016/17

(Agenda No. 7)

Ms Cox presented the quarterly progress report. There are no red reports since the last report to this Committee. Other Local Authorities have had issues with providers in the area of public health so OCC are checking this now.

Officers responded to Members' questions as follows:

- The ICT team is currently managing responsibility for cyber security. There are two external checks, one commissioned by OCC and another on government compliance.
- It is policy in residential care package payments to add 7 days after the date of death.
- Overpayments are quite small in the overall budget. A recent review indicated that 50% were due to faults on the Council's side and 50% were due to the provider not having informed the Council. Strong letters are being sent to the providers on this matter.
- The requirement for ICT to alert the payments team of any Care Package Line Item (CPLI) amendments or deletions that will have a material impact upon payments is an interim solution.

RESOLVED: to note the progress with the 17/18 Internal Audit Plan and 17/18 Counter Fraud Plan and the outcome of the completed audits.

54/17 TRANSFORMATION UPDATE

(Agenda No. 8)

Mr Shaw and Ms Macleod went through a presentation updating the transformation programme "Fit for the Future". Officers responded to Members' questions during the presentation as follows:

- The programme was not just about making monetary savings but also about making services more responsive and introducing agile working allowing staff to be out around the county.
- Where there are similar requirements in different departments e.g. on-line booking systems, the programme will consolidate to a single approach.
- OCC is not doing this in isolation - officers study approaches in other councils and we are a pilot for some work in the government's digital strategy.
- There is also engagement with customers through surveys and a Usability Lab to test services.

Members asked for the programme to be a fixed item on locality meeting agendas with information relevant to the local area provided.

55/17 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

(Agenda No. 9)

Mr Graham introduced the report and he and Mr Webb responded to Members' questions as follows:

- Trading Standards are only exempt from authorisation by another officer – they can authorise their own cases.
- The volume of use does not justify quarterly reports. Issues can be reported to the Audit Working Group if they arise.
- In relation to concerns in the report about investigations directed to the protection of children and vulnerable adults, officers engage with legal services to ensure proper use.

RESOLVED to:

- (a) Consider and note the use of activities within the scope of the Regulation of Investigatory Powers Act by the Council and the Office of Surveillance Commissioners report, and**
- (b) Note the revised Policy and Guidance documents at Annexes 2 and 3 and 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.**

56/17 MONITORING OFFICER ANNUAL REPORT

(Agenda No. 10)

Mr Graham summarised the report and noted the low number of complaints against councillors.

New members and returning members praised the induction sessions arranged for councillors following the election. Councillor Helen Evans also found the pre-election event on how to become a councillor to be excellent and hoped it would be repeated in the future.

The Chairman asked about the granting of dispensations to councillors referred to in paragraph 2. Mr Watson responded that it might be necessary, for example, if too many Members at a meeting would be otherwise disbarred from discussions.

RESOLVED: to consider and endorse the report

57/17 LOCAL GOVERNMENT OMBUDSMAN'S REVIEW OF OXFORDSHIRE COUNTY COUNCIL

(Agenda No. 11)

Mr Graham summarised the report. There was a slight increase in referrals to the Ombudsman and this was a national trend. There was no increase in the proportion upheld.

Asked about the level of financial address involved in successful cases, officers responded that there are a series of tariffs and compensation payments can be included. The highest amount was £3,500.

Members welcomed the report and noted that the number of complaints was relatively low for such a large organisation. They complimented council officers for the quality of the processes and their good judgement in dealing with cases.

RESOLVED: to note this report and the Local Government Ombudsman's Annual Review of Oxfordshire County Council for 2016/17.

58/17 WORK PROGRAMME

(Agenda No. 12)

The Committee agreed to move the following items from the September 2018 meeting to the July 2018 meeting:

- Statement of Accounts 2017/18
- Ernst & Young – Final Accounts Audit

The Chairman announced that he had a meeting the following day with the Chairmen of the Scrutiny Committees to coordinate work plans. As a result it was possible that two more issues may be added to this Committee's work programme

- Cyber Security
- Scrutiny Review

Mr King informed the meeting that Mr Witty will no longer be the EY representative at Committee meetings as he will be retiring shortly. The Chairman and Members thanked Mr Witty for his work and wished him a happy retirement.

..... in the Chair

Date of signing 2017