



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

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

**Wednesday, 12 September 2018 at 1.30 pm**

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

Peter G. Clark  
Chief Executive

September 2018

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

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**Membership**

Chairman – Councillor Nick Carter  
Deputy Chairman - Councillor Tony Ilott

*Councillors*

Paul Buckley  
Ian Corkin  
Charles Mathew

D. McIlveen  
Les Sibley  
Roz Smith

Vacancy

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*Co-optee*

Dr Geoff Jones

**Notes:**

- ***There will be a pre-meeting briefing in the Members' Boardroom at County Hall on 7 September 2018 at 9.30am for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 14 November 2018***

## 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](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

The minutes of the meeting held on 6 September 2018 will be taken at the next meeting on 14 November 2018.

## 4. Petitions and Public Address

## 5. Update on the Financial Management Action Plan (Pages 1 - 12)

1.35

The Director for Finance will give a presentation updating the Committee on the Financial Management Action Plan.

## 6. Internal Audit Plan - Progress Report (Pages 13 - 26)

2.15

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 18/19 Internal Audit Plan and the outcome of the completed audits.**

## 7. External Auditors (Pages 27 - 46)

2.30

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

- Annual Audit Letter

## 8. Joint Working Arrangements with Cherwell District Council: Governance Arrangements (Pages 47 - 90)

2.45

## Report by the Director of Law & Governance

Cabinet agreed on 4 June 2018 to approve, in principle, a joint working arrangement with Cherwell District Council. Cherwell formally made the same decision in July. These arrangements are governed by a formal "Section 113 Agreement" (see Annex 1). That Agreement included the appointment of a joint Chief Executive and statutory Head of Paid Service, which was undertaken through the Council's normal constitutional processes, including a recommendation from the Remuneration Committee and final approval by Full Council on 10 July 2018.

Section 113 of the Local Government Act 1972 enables local authorities to enter into agreements with one another for the placing at the disposal of each other their respective officers for carrying out their respective functions.

The Section 113 Agreement, now in place, establishes a structure to enable proposals for joint working to be approved with the necessary Member oversight. Each proposal will need approval by each separate Authority.

These new arrangements clearly have an impact on the way in which the County Council undertakes its business and indeed constitutional changes are required in order to ensure good governance is maintained.

Consequently, this report brings the suite of relevant governance arrangements to this Committee so that it can assure itself of the sufficiency and effectiveness of these governance arrangements underpinning the joint working arrangements.

### **The Committee is RECOMMENDED to:**

- a) **To note the agreed Section 113 Agreement (Annex 1);**
- b) **To note the agreed Terms of Reference for the Partnership Working Group (at Annex 2);**
- c) **To consider and approve Terms of Reference for the Joint Personnel Committee and the Joint Appeals Committee (at Annex 2);**
- d) **To note and endorse the 'Roles of Members and Officers and Dealing with Conflicts of Interest' Protocol (including the Ethical Walls Procedure appended to it) (Annex 3);**
- e) **To note and endorse the 'Chief Executive Protocol' at Annex 3 of this report;**
- f) **To agree regularly to monitor the operation of the 'Roles of Members and Officers and Dealing with Conflicts of Interest' Protocol (including the Ethical Walls Procedure appended to it) as at Annex 3 of this report;**
- g) **To delegate authority to the Monitoring Officer to make any further minor adjustments to these documents and to make the necessary changes to the Council's Constitution.**

**9. Local Government Ombudsman - Annual Review Report (Pages 91 - 102)**

3.45

Report by the Monitoring Officer.

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 2017/18.

In short, the LGO received fewer complaints about the Council in 2017/18 than in the previous year – 44 complaints and enquiries rather than the 66 in 2016/17. However, of these 44, 40 were decided in the financial year in question, of which 7 were upheld which was the same as the previous year, indicating a slight increase in percentage terms of upheld complaints.

In the context of county council performance generally, the Council has the third lowest number of complaints decided compared with other County Councils; and has the fourth lowest number of upheld complaints (seven in total) against the same comparison. It remains encouraging that fewer complaints were made to the LGO and in one case the LGO commended the Council's proactive action in resolving an issue.

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 that were upheld by the LGO during 2017/18.

**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 2017/18.**

**10. Compliance with the Regulation of Investigatory Powers Act 2000 and Use of Activities Within the Scope of This Act (Pages 103 - 116)**

4.00

Report by the Monitoring Officer

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 2017 to March 2018. 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 to:**

- (a) Consider and note the use of activities within the scope of the Regulation of Investigatory Powers Act by the Council and actions taken to address the outcome of the Office of Surveillance Commissioners report, and**
- (b) Note the revised Policy document at Annex 1 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.**

## **11. Monitoring Officer Annual Report (Pages 117 - 124)**

4.15

Report by the Monitoring Officer

The Audit and Governance Committee is responsible for promoting standards of conduct for elected councillors and co-opted members and for ensuring the integrity of the democratic decision-making process. Consequently, the Monitoring Officer reports annually to this Committee on relevant actions and issues that have occurred in the previous year. This report therefore summarises certain activities for the year 2017/18 i.e. immediately before and following the May 2017 County Council Election.

**The Committee is RECOMMENDED to consider and endorse the report.**

## **12. Audit Working Group Report (To Follow)**

4.30

The Audit Working Group meets on 5 September 2018. The report from the meeting will be circulated as an Addendum when available.

## **13. Work Programme (Pages 125 - 126)**

4.40

To review the Committee's Work Programme.

**Close of meeting**

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

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