



To: Members of the Audit & Governance Committee

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

Wednesday, 14 November 2018 at 2.00 pm

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

Yvonne Rees
Chief Executive

November 2018

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

Membership

Chairman – Councillor Nick Carter
Deputy Chairman - Councillor Tony Ilott

Councillors

Paul Buckley
Jeannette Matelot
Charles Mathew

D. McIlveen
Glynis Phillips
Les Sibley

Roz Smith

Co-optee

Dr Geoff Jones

Notes:

- ***There will be a pre-meeting briefing in the Members' Boardroom at County Hall on Friday 9 November 2018 at 9.30am for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 9 January 2019***

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 - 12)

To approve the minutes of the meetings held on 6 September 2018 and 12 September 2018 and to receive information arising from them.

4. Petitions and Public Address

5. Highways Update with Skanska

2.05

Skanska have been invited by the Audit & Governance Committee to provide an update on the Highways Contract, including specific focus on the Skanworks system. They will give a presentation at the meeting.

6. Update on the Carillion Recovery & Improvement Plan (Pages 13 - 18)

2.45

Report by the Director, Capital, Investment & Delivery

In July, the Audit & Governance Committee considered a report on the implementation of the Carillion Recovery & Improvement Plan. The Plan includes four phases of work following the transition of the services from Carillion (phase 1) in February 2018. These include:

Phase 2 - Stabilisation - involving operational issues falling out of the transfer of staff and functions from Carillion

Phase 3 - Assessment of Carillion Legacy Issues - a more detailed assessment of completed and part completed projects, as well as audits of statutory and operational compliance

Phase 4 - Implementation – this includes the programme of work for the rectification of known defects, any work resulting from latent defects and the programme of maintenance, repairs and replacement identified from the asset surveys.

This report outlines progress since July on phases 2 – 4 and the next steps for several strands of the project. For some areas, the work is now at the point where it is more helpfully delivered through the business-as-usual (BAU) arrangements, particularly with

the new Assistant Directors now in post.

The Committee is recommended to:

- a) **consider and comment on continuing progress in implementation of the Carillion Recovery & Improvement Plan;**
- b) **note that the costs relating to rectification will be considered within the council's annual budget cycle and processes for 2019/2020.**

7. Treasury Management Mid Term Review 2018/19 (Pages 19 - 36)

3.15

Report by the Director for Finance.

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management (Revised) 2011 recommends that members are informed of Treasury Management activities at least twice a year. This report ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.

The Committee is RECOMMENDED to

- a) **note the report; and**
- b) **recommend Cabinet to note the report and to RECOMMEND Cabinet to note the Council's Mid-Term Treasury Management Review 2018/19.**

8. External Auditors (Verbal Report)

3.30

Verbal update from the External Auditors, Ernst & Young.

9. Establishing A Joint Sub-Committee For The Fit For The Future Programme (Pages 37 - 42)

3.40

Report by the Director of Law and Governance

In October 2018, Cabinet agreed an implementation strategy for the Council's new Operating Model that had itself been previously endorsed at the September Cabinet meeting.

The Performance Scrutiny and Audit and Governance Committees have taken an active role in the development of the Fit for the Future programme as the programme's implementation and the functionality of the new Operating Model will have significant implications across the areas of responsibilities of both committees. Both committees

are therefore expected to continue their roles of monitoring and of challenging performance, delivery, reporting and control. The October Cabinet report noted that the Committees may wish to consider how they are organised through the life-time of the programme, including the potential establishment of individual or joint sub-committees as the business of the Committees demands.

This report considers the requirements for new arrangements and proposes the establishment of a Joint Sub-Committee. This same report is being considered by the Performance Scrutiny on 8 November and Audit and Governance Committee on 14 November.

The Committee is RECOMMENDED to:

- a) **Agree to the establishment of a joint Sub-Committee of the Performance Scrutiny and Audit & Governance Committees as set out in paragraphs 18-20.**
- b) **Agree to the terms of reference set out in Annex 1.**

10. Partnership Arrangements with Cherwell District Council - Joint Committees (Pages 43 - 48)

3.55

Report by the Monitoring Officer

At the Audit & Governance Committee on the 12 September, members asked for further clarity as to the role and purpose of the Joint Committees established by Full Council on the 11 September to facilitate the joint working arrangements with Cherwell District Council (CDC).

This report seeks to bring that clarity and to enable the Committee to approve the terms of reference for the Joint Committees.

The Committee is RECOMMENDED to:

- a) **Agree that the proposed Joint Personnel Committee be named 'The Joint Shared Services and Personnel Committee';**
- b) **Approve the proposed terms of reference for the Joint Shared Services and Personnel Committee (as in Annex 1); and**
- c) **Approve the proposed terms of reference for the Joint Appeals Committee (as In Annex 1).**

11. Quarterly Update: Counter Fraud Strategy and Plan for 2018/19 (Pages 49 - 52)

4.10

Report by the Director for Finance.

This report presents a quarterly progress update of the Counter Fraud Strategy and Plan for 2018/19. The plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

The committee is RECOMMENDED to comment and note the progress update regarding Counter Fraud Strategy and Plan for 2018/19.

12. Senior Staffing Arrangements (Pages 53 - 58)

4.25

Report by the Director of Law and Governance

This report seeks Audit & Governance's support for a proposed amendment to the Constitution relating to senior management appointments to ensure that those appointments within Oxfordshire County Council are made efficiently whilst ensuring accountability. This would also avoid confusion that has arisen as to the definition of Chief Officers and Deputy Chief Officers. These terms have a statutory definition that impacts on the appointment process.

Currently, the terms of reference of the Remuneration Committee are that it has a role in appointing Directors with no distinction made between 'Strategic Directors' and any other 'Directors'. This report proposes a distribution of responsibility that provides greater clarity. The choice of which posts should be appointed by the Remuneration Committee lies with the County Council itself and is not determined by regulations.

This matter is entirely separate from the arrangements being finalised by the Committee for handling any joint management appointments arising from the Oxfordshire-Cherwell Partnership. The scenarios in this report are solely those that the Council is required to have in place for its own appointments outside of that context.

The Committee is RECOMMENDED to

- (a) endorse the proposed changes to appointments in paragraphs 10 and 11;**
- (b) ask Full Council to approve these changes accordingly including the necessary changes to the Pay Policy Statement; and**
- (c) agree that the Monitoring Officer make the necessary textual amendments to the Constitution to give effect to Full Council's decision.**

13. Audit Working Group Report (Pages 59 - 62)

4.40

This report presents the matters considered by the Audit Working Group Meeting of 24 October 2018.

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

14. Work Programme (Pages 63 - 64)

4.50

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.
