



To: Members of the Audit & Governance Committee

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

Wednesday, 13 November 2019 at 2.00 pm

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

Yvonne Rees
Chief Executive

November 2019

*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
Dr Simon Clarke
Charles Mathew

D. McIlveen
Glynis Phillips
Roz Smith

Vacancy

Co-optee

Dr Geoff Jones

Notes:

- ***Prior to this Committee meeting there is a session at 1pm in the Members' Boardroom for A&G members to review CIPFA's revised guidance of best practice for Audit Committees and to undertake the recommended self-assessment.***
- ***There will be a pre-meeting briefing at County Hall in the Members' Boardroom on Friday 8 November at 9.30am for the Chairman, Deputy Chairman and Opposition Group Spokesman.***
- ***Date of next meeting: 15 January 2020***

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 - 6)

To approve the minutes of the meeting held on 11 September 2019 and to receive information arising from them.

4. Petitions and Public Address

5. Update on Highways Payments (Pages 7 - 12)

2.10

Report by the Interim Director for Community Operations

Further to the report to the meeting on May 2019, this paper provides ongoing feedback on the progress of addressing issues raised within the audit inspection of Highway Contract Payments.

The Committee is RECOMMENDED to note progress to date.

6. External Auditors (Pages 13 - 24)

2.40

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

- Local Government Audit Committee Briefing – Quarter 3, September 2019.

7. Treasury Management Mid Term Review (Pages 25 - 42)

2.55

Report by the Director of Finance

The report sets out the Treasury Management activity undertaken in the first half of the financial year 2019/20 in compliance with the CIPFA Code of Practice. The report includes Debt and Investment activity, Prudential Indicator monitoring and forecast interest receivable and payable for the financial year.

The Committee is RECOMMENDED to:

- a) **note the report, and**
- b) **recommend Council to note the Council's Mid-Term Treasury Management Review 2019/20.**

8. Financial Management Code

3.10

CIPFA issued its Financial Management Code in October 2019. The Code is designed to support good practice financial management and to assist local authorities in demonstrating their financial sustainability and sets standards of financial management for local authorities. Local authorities are required to demonstrate compliance with the Code from 1 April 2020. CIPFA issued its Financial Management Code in October 2019. The Code is designed to support good practice financial management and to assist local authorities in demonstrating their financial sustainability and sets standards of financial management for local authorities. The first full year of compliance will be 2021/22. This reflects the recognition that organisations will need time to reflect on the contents of the code and can use 2020/21 to demonstrate how they are working towards compliance. This presentation sets out the requirements of the code and an early assessment of compliance.

9. Changes to Constitution of Pension Fund Committee (Pages 43 - 50)

3.25

Report by the Director for Finance.

At their meeting on 6 September 2019, the Pension Fund Committee considered potential changes to their Constitution. The recommended changes are outlined in this report.

The Committee is RECOMMENDED to endorse the recommendations agreed by the Pension Fund Committee as set out below and RECOMMEND them to Council:

- a) **Ask Officers to draw up a Training Policy consistent with the proposals contained in the annex and summarised in paragraph 4 of this report;**
- b) **Agree to amend the Pension Fund Committee Governance Policy to mandate all Members of the Pension Fund Committee to complete training in line with the Training Policy;**
- c) **Amend the constitution so that no substitutions are allowed for Members of the Pension Fund Committee;**
- d) **Ask Officers in consultation with the Chairman, Deputy chairman and Opposition Spokesperson of the Pension Fund Committee to amend their Governance Policy/Terms of Reference to ensure the independence and impartiality of the Pension Fund Committee Members is assured; and**
- e) **Make the appropriate changes to the Terms of Reference and Constitution to formalise the new governance arrangements.**

10. Update on Counter Fraud Strategy and Plan for 2019/20 (Pages 51 - 62)

3.35

Report by the Director for Finance.

This report presents an Update on the Counter Fraud Strategy and Plan for 2019/20.

The Committee is RECOMMENDED to note the progress with delivery of Counter Fraud Strategy and Plan for 2019/20.

11. Audit Working Group Report (Pages 63 - 66)

3.50

Report by the Director for Finance.

This report presents the matters considered by the Audit Working Group Meeting of 23 October 2019.

The Committee is RECOMMENDED to note the report.

12. Audit & Governance Committee Terms of Reference (Pages 67 - 74)

4.00

Report by the Director for Finance

This report presents a revised draft of the Audit & Governance Committee Terms of Reference, for approval at the Committee and for inclusion within the December review/update to the Constitution.

The Committee is RECOMMENDED to approve the updated terms of reference for the Audit & Governance Committee and request that this is included within the December 2019 review and update of the Constitution.

13. Corporate Security Update (Verbal Report)

4.10

This will be a verbal update by the Director for Property, Investment and Facilities Management.

14. Carillion Recovery Plan Update (Pages 75 - 76)

4.25

Report by the Director of Community Operations.

This report gives the latest position on all the line items paid to Carillion during the Carillion contract and the latest position on this.

The Committee is RECOMMENDED to note the contents of the report.

15. Exempt Item

In the event that any Member or Officer wishes to discuss the information in the report to Item 16, the Committee will be invited to resolve to exclude the public for the consideration of that report by passing a resolution in relation to that item in the following terms:

"that the public be excluded during the consideration of the report since it is likely that if they were present during that discussion there would be a disclosure of "exempt" information as described in Part I of Schedule 12A to the Local Government Act, 1972 and specified below the item in the Agenda".

THE REPORT TO THE ITEM NAMED HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS 'CONFIDENTIAL' BY MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

THIS IS FOR REASONS OF COMMERCIAL SENSITIVITY.

THIS ALSO MEANS THAT THE CONTENTS SHOULD NOT BE DISCUSSED WITH OTHERS AND NO COPIES SHOULD BE MADE.

16. Carillion Legacy Programme - Negotiation Activity (Pages 77 - 80)

4.40

Report by the Director of Community Operations.

The information contained in the report is exempt in that it falls within the following prescribed categories:

- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information);*
- 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that the disclosure could affect the negotiations with the liquidators of Carillion.

This report provides a requested update on the negotiation with the Liquidators for Carillion, over their claim against OCC, our counter claim, and related matters.

The Committee is RECOMMENDED to note the contents of the report.

17. Work Programme (Pages 81 - 82)

4.55

To review the Committee's work programme and meeting dates.

Close of meeting

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