



To: Members of the Audit & Governance Committee

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

Wednesday, 13 March 2024 at 1.00 pm

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings, please click on this [Live Stream Link](#)
Please note, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

Deadline(pubagenda)

Committee Officers: Committee Services
Email: committees.democraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor Brad Baines

Councillors

Yvonne Constance OBE
Ted Fenton
Jenny Hannaby

Nick Leverton
Ian Middleton
Glynis Phillips

Richard Webber

Co-optee

Dr Geoff Jones
Vacancy Co-Optee

Notes:

- ***Date of next meeting: 8 May 2024***



AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes (Pages 1 - 8)**

To approve the minutes of the meeting held on 10 January 2024 (**AG3**) and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection.

To facilitate 'hybrid' meetings we are asking that requests to speak or present a petition are submitted by no later than 9am four working days before the meeting. Requests to speak should be sent to committeesdemocraticservices@oxfordshire.gov.uk

If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that your views are taken into account. A written copy of your statement can be provided no later than 9am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.

5. Counter Fraud Update (Pages 9 - 16)

This report presents a summary of the activity against the Counter Fraud Plan for 2023/24, presented to the July 2023 Audit & Governance Committee meeting. The Counter Fraud Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

The Committee is RECOMMENDED to note the summary of activity against the Counter Fraud Plan for 2023/24.

6. Audit and Governance Committee Annual Report to Council (Pages 17 - 28)

In accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) Audit Committee Guidelines for Local Authorities 2022, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the committee has discharged its responsibilities.

The Audit & Governance Committee is RECOMMENDED to review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Audit & Governance Committee.

7. Treasury Management Q3 Performance Report 2023/24 (Pages 29 - 42)

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the third for the 2023/24 financial year and sets out the position at 31 December 2023.

Throughout this report, the performance for the three quarters of the year to December 2023 are measured against the budget agreed by Council in February 2023.

As at 31 December 2023, the council's outstanding debt totalled £284m and the average rate of interest paid on long-term debt during the year was 4.41%. No new external borrowing was arranged during the third quarter, whilst £8m of maturing Public Works Loan Board (PWLB), and £5m of LOBO¹ loans were repaid. The cumulative amount of PWLB and LOBO loans repaid during 2023/24 is £12m and £10m, respectively. The council's forecast debt financing position for 2023/24 is shown in Annex 1.

The [Treasury Management Strategy for 2023/24](#) agreed in February 2023 assumed an average base rate of 4.25%.

The average daily balance of temporary surplus cash invested in-house was expected to be £480m in 2023/24, with an average in-house return of 3.00%.

During the nine months to 31 December 2023 the council achieved an average in-house return of 3.93% on average cash balances of £496.422m, producing gross interest receivable of £14.686m. In relation to external funds, the return for the nine months was £3.035m, bringing total investment income to £17.721m. This compares to budgeted investment income of £10.805m, giving a net overachievement of £6.916m.

At 31 December 2023, the council's investment portfolio totalled £532.604m. This comprised £406.500m of fixed term deposits, £29.216m at short term notice in money market funds and £96.889m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 31 December 2023.

The Audit & Governance Committee is RECOMMENDED to note the council's treasury management activity at the end of the third quarter of 2023/24.

8. Risk Management Update (Pages 43 - 46)

¹ LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

This report sets out updates to Risk Management and an overview of the latest strategic risk register which contains the Council's most significant risks. The strategic risk register is closely managed by the Council Management Team and reported into the Strategic Leadership Team as part of the Council's Business Management and Monitoring Reports. These combined reports contain performance, risk and finance progress updates against the delivery of the current strategic plan priorities.

The Audit and Governance Committee is RECOMMENDED to note the Risk Management Update.

9. LEP Transition (Pages 47 - 52)

Government has announced that from 31 March 2024, Local Enterprise Partnerships (LEPs) will cease to have official recognition and that existing LEP functions will transfer to upper-tier local authorities or combined authorities, where they exist.

Following this announcement, it is important to establish a new governance framework to ensure local arrangements continue to meet government guidance. The County Council has agreed to create a controlling interest in OxLEP Ltd and become the sole member. To enable this to happen the OxLEP Ltd Board will need to consider and approve a revision to its Articles of Association and By-Laws whereby the County Council will become the sole 'member' of the company, exercising its membership functions through Cabinet.

Following agreement of Cabinet on 27 February 2024, the proposals for LEP transition are due to be considered by OxLEP Ltd Board on 12 March 2024.

If the proposed approach is agreed by the Board of OxLEP Ltd the County Council will need to review mechanisms for exercising oversight of the company, including paying specific attention to how the council will manage the sole member function and any additional audit and governance requirements.

The Committee is RECOMMENDED to

- a. Note the government announcement on the transfer of Local Enterprise Partnership core functions.**
- b. Note the approach to LEP transition and proposed changes to OxLEP Ltd governance.**
- c. Note that there will be further work on the governance arrangements during the implementation phase and an update will be brought to committee in approximately six months' time.**

10. Accounting Policies (Pages 53 - 78)

This report sets out the approach taken to the preparation of the 2023/24 Statement of Accounts including:

- a) The proposed date for publication of the draft 2023/24 Statement of Accounts, and

- b) The approved Significant Accounting Policies which describe how the Council has interpreted and applied the CIPFA 2023/24 Code of Practice in Local Authority Accounting in the UK (the Code) and the basis of preparation of the accounts.

The Committee is RECOMMENDED to

- (a) **Endorse the proposed timetable to produce the draft Statement of Accounts for 2023/24.**
- (b) **Note the consultation for back stop arrangements for the Statement of Accounts for 2022/23.**
- (c) **Ratify the accounting policies as approved by the Executive Director of Resources and Section 151 Officer and included as an annex to this report.**

11. Election Fees and Charges (Pages 79 - 94)

The County Returning Officer, Martin Reeves, is responsible for the conduct of the County Council elections and by-elections. The expenditure properly incurred by the Returning Officer is paid by the Council and, as such, a scale of expenses is set as a guide to such expenditure. The scale of expenses set out in the Annex would be applicable to any by-elections held within the 2024/25 financial year.

In accordance with the Council's practice, a review has been undertaken in consultation with the County, City and District Council election specialists in Oxfordshire who assist the Returning Officer in running the County Council's elections and by-elections. The Districts will use this scale when acting on behalf of the Returning Officer and are generally mindful of the County Council's scale of expenses when setting their own scales of expenses, including for those election events scheduled to be held in May 2024.

The scale is brought to the Committee in the interests of transparency for this area of election governance.

The purpose of the scale of expenses is to set out the amounts that can be charged for organising and running county council elections and by-elections. In practice, this means that these are the amounts that the City and District Councils will claim back from the County Council for running elections on its behalf.

The Committee is RECOMMENDED to note the Scale of Election Expenses for the financial year 2024/25, as shown in the Annex to this report, for the election of County Councillors and any other poll associated with the County Council during the year.

12. Delivering the Future Together - Governance Arrangements (Pages 95 - 100)

In 2021, the Council launched its internal programme for change – Delivering the Future Together (DTFT) – to help the organisation be the best it can for its people and manage organisational change.

Building on the success of the programme, we have launched a new phase to deliver transformational change and achieve our ambition to be an employer, partner and place shaper of choice.

To ensure appropriate oversight of this transformation activity, new governance arrangements have been established. These include a strategic transformation board, a transformation delivery board, and individual boards for each transformation programme.

The Leader is the portfolio holder for the Delivering the Future Together, and the chief executive is the sponsor.

The Audit and Governance Committee is RECOMMENDED to note the developments in the Delivering the Future Together programme and the governance arrangements for transformation activity.

13. Revised Whistleblowing Policy (Pages 101 - 122)

The existing Whistleblowing Policy was presented to the Audit and Governance Committee on 17 November 2021 and the Council has operated under that policy since that Policy was approved. The existing policy is attached at Annex 2.

The committee receives an annual report on the number of whistleblowing incidents each year. Summary details are provided for each incident but without any information that would allow individuals to be identified. The last report was presented to the committee on 29 November 2023.

The categories of complaint in the existing policy (paragraph 4 (ii)) are very wide and are outside the legislation and legal definition of a whistleblowing incident. Council employees have tried to use the whistleblowing procedure in place of Human Resources policies such as the grievance procedure. This has in some cases led to delays in dealing with issues and disappointment from employees.

The Audit and Governance Committee are asked:

- a) **To consider the revised Whistleblowing Policy at Annex 1 to this report and provide any comments to the Director of Law & Governance and Monitoring Officer and**
- b) **to recommend to Council that the Terms of Reference of the Committee be amended to include “ To monitor whistleblowing arrangements and to approve the Whistleblowing Policy”**

14. Review of Member Code of Conduct Arrangements (Pages 123 - 154)

The Localism Act 2011 (the Act) requires all local authorities to adopt a code of conduct setting out the standards of behaviour expected from local councillors (Section 27(2)).

Oxfordshire's revised Member Code of Conduct was approved at Full Council on 5 April 2022 and adopted with effect from 1 May 2022.

Under Section 28(6)(b) of the Act a local authority is required to put in place arrangements for dealing with allegations of breaches of the code of conduct and for making decisions upon allegations.

These "Arrangements" set out how a complaint that an elected or co-opted member of this Council has failed to comply with the Council's Code of Conduct will be dealt with, and how the Council will deal with allegations of a failure to comply with the Code of Conduct.

The Key changes made to these arrangements include:

- a) From the outset, when completing the complaint form, the requirement for a complainant to identify the parts of the Member Code of Conduct that they consider have been breached;
- b) Changes to the timeframes for dealing with member complaints to provide the Monitoring Officer with 30 working days within which to complete the assessment of the complaint, and 30 working days in which to complete the preparation and for a Members' Hearing Panel.
- c) Detailing the support available to Subject Councillors;
- d) A more detailed hearing process which is before a Members' Hearing Panel which replaces the Members' Advisory Panel. The significance of this is that rather than providing recommendations to the Monitoring Officer, the Members' Hearing Panel will take the decisions as to whether there is a breach of the code of conduct or not and any sanctions to impose if applicable;
- e) The hearing process has been set out in greater detail in annex 3. This includes clarity on timescales and a presumption that the hearing will be held in public.

The Audit and Governance Committee is:

- a) **is requested to consider the revised Arrangements for Dealing with Complaints Against Members and to comment upon them.**
- b) **To recommend to Full Council that the revised Arrangements for Dealing with Complaints Against Members together with annexes 1 to 5 are approved and adopted by the Council.**

15. Oxfordshire Code of Corporate Governance (Pages 155 - 172)

In 2016 CIPFA & SOLACE produced an updated guidance and framework with the identified principles that should underpin the governance of each local authority, and a structured approach to assist individual authorities to achieve good governance,

'Delivering Good Governance in Local Government: Framework 2016 Edition'. The Council's Code of Corporate Governance is based upon this guidance.

The Council's Code of Corporate Governance (the Code) is based on the seven core principles which are set out in 2016 CIPFA & SOLACE: "Delivering Good Governance in Local Government: Framework 2016 Edition": -

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the County Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Framework urges local authorities to test their structures against these principles by:

- Reviewing their existing governance arrangements against the Framework;
- Developing and maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness;
- Preparing an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

The Corporate Governance Assurance Group (an internal officer group) has reviewed and updated Oxfordshire County Council's Code of Corporate Governance, which is subject to an annual review; the next review date is March 2025.

The Audit and Governance Committee are recommended to approve the Oxfordshire Code of Corporate Governance attached to this report.

16. Ernst and Young Update (Pages 173 - 242)

Ernst and Young to update the Committee on the final Auditor's Annual Reports for the two years of accounts that we turned around between September and January.

17. Member Code of Conduct Report (Pages 243 - 246)

On 20 September 2022, the Monitoring Officer received a complaint about the conduct of Councillor Sally Povolotsky, which highlighted instances of concerns that Councillor Povolotsky may have failed to comply with the Council's Code of Conduct (the Code).

This was investigated and the Members' Advisory Panel convened on 30 November 2023 to consider allegations of breach of the code of conduct against the Subject Councillor.

Under the Arrangements for Dealing with Complaints Against Members (the Arrangements), a Members' Advisory Panel (the Panel) was formed from three councillor members of this Committee, one from each of the political groups on the Council.

The current Arrangements are clear that the purpose of the Panel is to advise the Monitoring Officer whether, in their view, the Code has been breached and if so to offer a view on any appropriate remedy. The final decision is that of the Monitoring Officer.

This report confirms the Monitoring Officer's decision and fulfils the requirement set out in the Arrangements that this Committee be informed of the outcome. This is appropriate given the Committee's overview of member ethical standards and because a Panel is drawn from its membership.

The Committee is asked to note the decision of the Monitoring Officer regarding a Members' Code of Conduct Complaint concerning Councillor Sally Povolotsky.

18. Work Programme (Pages 247 - 248)

The Committee to consider the work programme.

Close of meeting

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

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships

- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

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AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 10 January 2024 commencing at 1.00 pm and finishing at 3.08 pm

Present:

Voting Members: Councillor Roz Smith – in the Chair
Councillor Brad Baines (Deputy Chair)
Councillor Ted Fenton
Councillor Nick Leverton
Councillor Ian Middleton
Councillor Glynis Phillips
Councillor Richard Webber

Other Members in Attendance: Councillors Dan Levy, Donna Ford and Jenny Hannaby (virtual attendance) and Dr Geoff Jones (Virtual attendance)

By Invitation:

Officers:

Whole of meeting Lorna Baxter (Executive Director Resources), Anita Bradley (Director of Law and Governance and Monitoring Officer), Sarah Cox Chief Internal Auditor), Katherine Kitashima (Audit Manager), Kathy Wilcox (Head of Financial Strategy)

Part of meeting Adrian Balmer (Ernst and Young), Kalthiemah Abrahams (Ernst and Young), Tim Chapple (Treasury Manager), Richard Quayle (Chief Accountant)

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

1/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies for absence were received from Councillor Yvonne Constance, Councillor Jenny Hannaby and Dr Geoff Jones. Councillor Hannaby and Dr Jones were attending virtually to hear the debate.

2/24 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

Councillor Ian Middleton declared a personal interest as he is a member of Cherwell District Council.

3/24 MINUTES

(Agenda No. 3)

The Committee approved the minutes of the meeting held on 29 November 2023 subject to two typos and authorised the Chair to sign them as a correct record. All actions had been completed or were on track.

RESOLVED: that the Committee approved the minutes of the meeting held on 29 November 2023 were a true and accurate record.

4/24 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were no petitions or requests of public address received.

5/24 ANNUAL GOVERNANCE STATEMENT - UPDATE ON ACTIONS

(Agenda No. 5)

The Director of Law and Governance, Anita Bradley, clarified to the Committee that the report was an update on the actions from the Annual Governance Statement 2022/23 and to make any comments on them. The Committee had been presented an update at the 29 November 2023 meeting on the thirteen areas of focus identified for 2023/24. This report was on those actions where an additional update was required. It was reported that good progress was being made against the action plan and some of the actions were complete and others were not due to complete until March 2024, hence were still in progress.

Committee Members asked what services were still provided to Cherwell District Council and it was reported that the internal audit function was coming to an end, however, there was still a SLA for emergency planning. It was reported that the Constitutional Working Group would be reconvened later in January 2024. Councillor Baines asked about the 90 attendees that attended the stage 1 training that had been provided for Childrens Social Care and what percentage of staff that was, and if it was a good level of attendance or not.

ACTION: The Director of Law and Governance to report back to Councillor Baines

The Chair added that a lot had been done but in-person training was important that the legal status and responsibilities and accountabilities of Members were clearly understood in relation to outside bodies they are appointed to by the Council, Councillor Fenton asked how this would be done and it was explained that this would be through training. The responsibilities for Councillors differed for a different organisations and charities. Councillor Middleton asked about paragraph 22 and the six-monthly meetings by the ICO and was advised that these were ongoing. There were strong relations for subject data access and customer services. The Director of

Law and Governance informed the Committee that key decisions were within Council minutes and were searchable. There were available on the intranet.

RESOLVED: that the Committee received the update on the actions from the Annual Governance Statement 2022/23.

6/24 INTERNAL AUDIT 2023/24 PROGRESS REPORT

(Agenda No. 6)

The Chief Internal Auditor, Sarah Cox, presented the report to the Committee. The points highlighted included the following:

- The issue of vacancies was still ongoing, and the recruitment of a new Internal Audit apprenticeship would start during February 2024, with the aim of them starting in September 2024.
- The current internal audit plan, attached to the report, showed the current progress with each audit and any amendments made to the Plan. The Plan was reviewed quarterly with senior management. Three audits had been deferred until 2024/25. This was due to the shortfall of experienced staff. A new audit for a primary school had been requested for completion in February 2024. Four audits had been completed and the others were on track to complete and gain an audit opinion. The performance had not been impacted.
- The results of the external assessment of internal audit had been completed in November 2023 by an assessor from CIPFA. The results were very positive with an overall conclusion that OCC's internal audit service fully conformed to the requirements of the standards. The six advisory issues were in the process of being actioned.

The Chair and the Committee thanked Katherine Kitashima, Audit Manager, for all her hard work. Finally, the Chief Internal Auditor reported that there was one red report for Physical Security Systems – Building Access Controls and CCTV System. The report had been positively received and the actions have already been addressed with a short time frame to implement the remaining actions. Councillor Leverton asked of the apprentices, how many were still in post with the Council, and it was reported that three were still in post and one had been lost to a better paid position in London. The Committee agreed that the apprentice scheme did work. Councillor Phillips congratulated the Team for a fully conformed report. Councillor Phillips was concerned that there were no formally documented procedures governing the use of CCTV and overall management responsibility for systems had not been assigned. It was also concerning that even though there was a formal contract with a third party for servicing and maintaining CCTV and the intruder alarm systems, the formal contract could not be located. Councillor Phillips suggested that this be put forward to the Audit Working Group as it related to safety of staff and building access was crucial and it was important for the Committee to be reassured that everything was correctly in place.

The Chief Internal Auditor informed the Committee that since there was no business to transact at the January 2024 Audit Working Group meeting, this would be cancelled with the Chair's approval, and it would be more timely for any of the audit reports to be presented to the Audit Working Group at the March 2024 meeting.

Councillor Baines asked how long it took for an apprenticeship to become an auditor and was informed that the initial audit, level 4, lasted 18 months to two years and then subject to vacancies, they could apply for an auditor post. They would then be supported for a further two years for the chartered auditor profession, so potentially 4 years.

Councillor Fenton asked what assurances were there that “we were growing our own”. Sarah Cox responded that the Council was doing their best to retain staff, having good terms and conditions and paying comparably to other local authorities.

Councillor Baines also asked as there was a delay of three months in the transformation audit, was this going to have a limited scope or be further delayed and what were the risks created as a result. The Chief Internal Auditor reported that the deferral was for the Property Services and the Strategic Contract Management audits and these were proposed for quarter 1. The transformation audit had been scheduled at the beginning of the year, not being aware of the significant work improvements, hence the timing was critical. Further reassurance could be given going forward. The Executive Director Resources commented that the next key stage would be the all-staff briefing on 16 January 2024, everything was still being developed.

Councillor Phillips commented that dealing with complaints was very important as this was customer facing and this was the way customers saw the council. The Committee discussed the ‘complaints complaint’ at the Council and that the organisation did not proactively address issues raised at an early stage but waited until it became a complaint. It was agreed that complaints were a good thing and residents were the customer so it was good to hear about what was not going well so that it could be improved. The Chair added that the number of complaints had increased during the pandemic for all local authorities as people had time and a phone call was always better received than an email which could get very lengthy and therefore frustrating for the customer.

Councillor Baines asked about the metrics used to record the resolution of and the conclusion of a complaints and the Chair asked if all the actions, good and not so good, recorded. Sarah Cox suggested that the Director for Customer Experience and Cultural Services be invited to a future meeting.

The Committee showed a particular interest in this area, and it was agreed that this item be added to the Audit Working Group agenda for the March 2024 meeting, inviting Mark Haynes, Director for Customer Experience and Cultural Services, to present a report.

ACTION: Complaints process report be added to the Audit Working Group work programme for March 2024 meeting.

Councillor Phillips asked that the report covered the effectiveness of responses from Directorates so that the Committee could look at the entire process including the difference between priority 1 and priority 2 and what was a complaint.

Councillor Middleton was concerned that is a person complained more than once, were they treated differently and was reassured that the policies were not being used inappropriately. There was a need to have clear policies in place. This could be addressed at the Audit Working Group meeting.

The Committee reviewed the other audits and made comments on the following:

- Cyber Incidents preparedness and response review 2023/24 – noted, good progress being made.
- Children’s Placements Contract Management and QA processes – Amber – the response rate from the on-the-spot providers was less than 2% and very disappointing. There was now work underway on how to engage with providers in a more meaningful way. It was also worrying to see the RAG rating moving from a red to amber with no evidence provided or saved to support the change. The Committee was reassured that robust actions were being put into place to address this.
- Physical Security Systems 23/24 – it was concerning to see that the systems were not in place and the contracts not being located, however, it was positive that this was all being addressed. The Executive Director Resources informed the Committee that the issues had already been identified, hence it had not been a surprise and therefore action plans had been put into place as soon as possible to complete as soon as possible.

RESOLVED: that the Committee noted the progress of the 2023/24 Internal Audit Plan and the outcomes of the completed audits.

7/24 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2024/25

(Agenda No. 7)

Tim Chapple, Treasury Manager, presented the report to the Committee. The forecast average cash balance for 2024/25 was £463m. The Council would maintain its investment in strategic pooled funds with a purchase value of £101m. The remaining £362m would be managed internally with a mixture of short, medium and long-term deposits. According to the CIPFA guidance, on the investment side, priority would be given to the security liquidity above other considerations. The strategy was also based on the assumption that this was the peak of interest rates and coupled with the balances, were about £50m higher than the lending limit increased, next year from 140 to 170m. The forecast for return on average for the year was forecasted to be 4.25%. If all forecasts were correct, then the full cost interest received would be £15.4m. On the external funds, no changes were proposed to the holdings during the financial year and that would produce about £3.8m worth of dividends. At present there was a statutory override that fluctuations were not taken to the revenue account. This was due to end in March 2025. The Treasury Manager recommended that as part of the overall budget setting process, there was a proposal to create a reserve with initial funding of £2.2million to assist in managing the risk of the override ending.

A new borrowing instrument had been added, called Community Municipal Investments and this would allow the issuing of community bonds which would assist in small green projects.

Members asked for clarification on a few points.

The Chair thanked the Treasury Manager and his Team for the report.

RESOLVED: that the Committee endorsed the Treasury Management Strategy for 2024/25 as outlined in the report.

8/24 FINANCIAL MANAGEMENT CODE

(Agenda No. 8)

Kathy Wilcox, Head of Corporate Finance, presented the report to the Committee. The Financial Management code had six themes aimed at strengthening the financial resilience and sustainability of local authorities. The performance against the six themes was measured by 19 standards which were arranged over seven sections.

It was clarified that only A and E were amber and all the others were green.

The Officers informed the Committee that benchmarking was being used ad hoc in the organisation, but the transformation programme was expected to focus on improving the business intelligence information. The process needed to be robust and consistent on using benchmarking. It was important to understand if services provided were above or below average and why. Having more data intelligence would assist to make better decisions.

Councillor Phillips asked if Value for Money included social value as part of the CIPFA standards and if it was not, could CIPFA be informed that local authorities had to include this in their considerations. The Executive Director Resources, Lorna Baxter, informed the Committee that in terms of social value of procurement, that was a requirement so was considered but the issue was that social value meant different things to different organisations.

ACTION: Executive Director Resources to have discussion with CIPFA about social value and its definition.

Kathy Wilcox gave further information on the second amber standard and that there was lots of engagement ongoing but there needed to be clearer guidance for managers and again this would be through the transformation programme. Further improvement and training were required to work towards a joined up consistent approach. A clearer framework needed to be developed of financial roles and accountability and training and embedded to ensure that the work could be carried out in an efficient way. The reserved position was discussed, and that the assessment was still to be completed.

Members queried that there was no reference to the environment and climate change in the CIPFA guidance and if this could be asked of CIPFA. Also, a question was raised about Member engagement, and it was confirmed that there had been more

engagement including additional briefings, Group Leader meetings and more communication had been circulated, but more could be done. The final point raised was the use of consultants and if there was any criteria in place and it was noted by the Committee that it was up to individual Directors and the need to discharge their functions.

ACTION: Executive Director Resources to have discussion with CIPFA about social value and its definition.

RESOLVED: that the Committee endorsed the assessment of compliance against the Financial Management Code for 23/24

9/24 2022/23 PENSION FUND PLANNING REPORT

(Agenda No. 9)

Kalthiemah Abrahams, Audit Manager for Pension Fund Audit, presented the report to the Committee.

The main point to highlight and that was different from the last report was the ISA 135-identifying and Assessing the Risks of Material Misstatement. The audit would be required to perform new and additional procedures to understand the Fund's use of IT, the IT processes relating to those IT applications relevant to the audit used in the different accounting processes and, where relevant, the IT general controls (ITGCs) that address IT risks in the IT processes and evaluation of their design effectiveness and whether they had been implemented. Any issues would be reported through the audit results report.

Secondly, the disclosure for the IS19, the County Council would not have completed the 2022/23 audit at this time so this would be completed additionally by the Audit Team.

And finally, additional work would be carried out on the membership numbers of the pension fund.

Councillor Phillips asked for clarification of the Oxfordshire pension fund investments and the Brunel Fund, which was given by Lorna Baxter.

RESOLVED: that the Committee noted the 2022/23 Pension Fund Planning Report

10/24 ERNST & YOUNG UPDATE

(Agenda No. 10)

Adrian Bulmer, Ernst and Young, gave the Committee a verbal update. It was reported that the final checks were being completed on the 2021/22 accounts, which

were close to sign off. The final check would be if any subsequent events needed to be included. Once this was completed, the Committee had delegated authority in place to Lorna Baxter and the Chair to sign off the 2021/2022 accounts. These would include the pension fund accounts for 2021/22 as substantially complete, too. Once these had been signed off, they would be merged into the final set of Council accounts, and then it would move to conclusion.

It was reported that guidance from central government for the 2022/23 accounts and historical years of audits was still being awaited.

RESOLVED: that the Committee noted the update

11/24 WORK PROGRAMME

(Agenda No.)

The Committee discussed the items on the work programme. The following points were discussed:

- The Annual Report to Council would be circulated in February for comments and then a draft version would be presented at the March Committee meeting.
- Dr Geoff Jones asked about the IT Management briefing that was due at the last meeting. The Committee were reminded that this was due to be covered under Item 10, Delivering the Future Together.
- The Chief Auditor informed the Committee that the January 2024 Audit Working Group meeting would be cancelled and the two substantial items would be on the March meeting agenda.
- The AGS training would be provided by Simon Harper at the May meeting and the Treasury Management Update would be given at the September meeting.

The March meeting would begin at 1pm.

RESOLVED: that the Committee noted and commented on the work programme

12/24 DATE OF NEXT MEETING

(Agenda No. 11)

The Committee noted the date of the next meeting to be 13 March 2024.

..... in the Chair

Date of signing

AUDIT & GOVERNANCE COMMITTEE

13 March 2024

COUNTER FRAUD UPDATE

Report by Executive Director of Resources

RECOMMENDATION

1. The Committee is **RECOMMENDED** to
 - a) Note the summary of activity against the Counter Fraud Plan for 2023/24.

Executive Summary

2. This report presents a summary of activity against the Counter Fraud Plan for 2023/24, presented to the July 2023 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

Counter-Fraud Team Update

Counter-Fraud Service & Resources Update

3. As reported to the July 2023 meeting, the Counter Fraud team comprises of the Counter Fraud Team Manager, Senior Counter Fraud Officer, Data and Intelligence Officer and the apprentice Counter Fraud Assistant.
4. As noted in previous updates, the Counter Fraud team receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Counter Fraud Team Manager meet with the Director of Law & Governance monthly to review, discuss and progress all whistleblowing investigations.
5. **Case Figures 2023/24 (at February 2024):**

Indicator	Value
New Cases 2023/24 (April – October 2023)	16 cases
Current open cases (by year)	2023/24: 10 2022/23: 3 2021/22: 1

With the Police	2020/21: 1 No current cases are with the police.
New Cases by type	Employee: 6 Whistleblowing (being investigated by the Counter-Fraud Team): 1 Contractor: 3 Blue Badge: 4 Deprivation of Assets: 1 Financial Assessment Fraud: 1
New Cases by referral source	Whistleblower: 1 Government Agency: 3 Employee / Internal Control: 11 Other Local Authority: 1

6. Update against the Counter-Fraud Plan 2023/24

The 2023/24 Plan, which was previously presented to the Audit & Governance July 2023 meeting, has been structured around the 5 pillars of anti-fraud activity in the Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally:

Objective	Actions	Timescale	Feb 2024 update
Govern: Have robust arrangements in place to ensure counter-fraud, bribery and corruption measures are embedded throughout the organisation.	1) Deliver awareness training sessions to a range of staff and members to include knowledge of fraud risks, their role in prevention activity and process to refer suspicions. 2) Provide the Audit & Governance Committee with reports during the year about the arrangements in place to protect the council against fraud and the effectiveness of these.	1) Ongoing. 2) July, November & March.	1) Fraud awareness training to headteachers and school business managers was delivered in October 2023. Direct Payment Fraud awareness training was delivered to Adult Social Care in February 2024. 2) Ongoing.

	3)	Review the council's anti-fraud strategy and identify areas for development by reference to the Fighting Fraud and Corruption Locally strategy.	3) End of quarter 3.	3) A revised Anti-Fraud and Corruption Strategy has been approved by the Monitoring Officer and the Executive Director of Resources and is in the process of being added to the intranet and public website.
Acknowledge: Understand fraud risk and maintain a robust anti-fraud response.	1)	Undertake an assessment of the council's overall response to fraud and identify any areas for improvement.	1) End of quarter 3.	1) This has been incorporated into the review of the Anti-Fraud and Corruption strategy.
	2)	Continue development of Council's fraud risk register.	2) End of quarter 3.	2) Work is currently being done on updating and further developing the Council's Fraud Risk Register. The Register is used to aid both audit planning and counter-fraud activity.
Prevent: Prevent and detect fraud taking place against the organisation, using proactive work and data analysis.	1)	Fraud alerts to be provided to service areas as necessary.	1) Ongoing.	1) Alerts have been provided to relevant service areas as required.
	2)	Delivery of the NFI 2022/2023 exercise.	2) End of quarter 3.	2) The NFI 2022/23 exercise is currently being completed.
	3)	To complete Joint Internal Audit & Counter Fraud proactive reviews into Procurement Cards & Expenses (included in Internal Audit Plan 23/24).	3) End of quarter 4.	3) The proactive review into Procurement Cards is complete and at reporting stage. The proactive review of Expenses is almost complete – both will be reported to the May A&G meetings as part of the Internal Audit update.

	4)	To enhance data analytic capability to support potential areas of proactive work.	4) Ongoing.	4) Ongoing.
Pursue: Carry out fraud investigations, apply sanctions to offenders and recover losses.	1) 2)	Conduct investigations into suspected fraud and malpractice. Continue enforcement activities against Blue Badge fraud and misuse by completing on-street exercises.	1) Ongoing. 2) One per quarter.	1) Ongoing. There are currently 16 open cases. 2) The most recent Blue Badge on-street exercise was completed in September 2023 and a prosecution file has been sent to OCC Legal.
Protect: Recognising the harm that fraud can cause in the community.	1) 2) 3)	Review and share fraud trends and new threats with relevant service areas. Respond to information requests from the Police, other Local Authorities and investigation bodies such as HMRC. Continue to foster relations with other internal teams.	1) Ongoing. 2) Ongoing. 3) Ongoing.	1) Information on new trends and alerts have been provided to relevant service areas as required. 2) Ongoing and as required. 3) Ongoing. 11 new cases in 2023/24 have been received from other internal teams / internal controls.

7. Cases to Note (open/closed)

A confidential detailed update on Counter Fraud cases and current activity was provided to the Audit Working Group meeting on 8 November 2023. This reported on cases which have recently been completed and some of current cases being investigated.

School business manager.

As reported to the committee in November 2023, a school business manager was dismissed for defrauding a primary school. The matter was referred to Thames Valley

Police and since our last report the individual has now received a police caution (which results in a criminal record). A condition of the caution was that he signed an agreement to repay OCC in full and this is now being monitored by debt recovery. The case is now closed.

8. Other updates

Economic Crime and Transparency Bill:

The Economic Crime and Transparency Bill has now received Royal Assent. The legislation allows for an organisation such as a Local Authority to be criminally liable for the failure to prevent fraud. The 'adequate procedures' in the Bill appear to be similar to those within the UK Bribery Act 2010. County and District Councils have been advised to draw up risk assessments and the team is currently liaising with other councils to ensure consistency in order to prepare a draft which will be shared with the S151 Officer. We will supply further briefings/updates to the Audit & Governance Committee once more is known about the legislation.

Blue Badge:

As reported to the November committee, a blue badge on street enforcement exercise took place on the 26 September 2023 and resulted in two blue badges being seized for misuse. Both people suspected of misusing the blue badges attended interviews 'under caution' with the team. One of the cases has been concluded by the issuing of a warning letter to the person misusing the badge and another to the badge holder, reminding them of their responsibilities. The other case is being taken forward to prosecution as the person admitted to having bought the badge from an on-line site and a full prosecution file has been submitted to OCC Legal Services.

NFI:

The National Fraud Initiative (NFI) reports from the 2022/23 bi-annual data matching exercise were released in February 2023 and are in the process of being reviewed. There are a total of 33 reports and 30,934 matches. A full update on the completed reviews was reported to the November 2023 Audit & Governance Committee.

Since the last update made to the Committee in November 2023, all matches identifying potentially undeclared interests have been closed. These matched the details of employees on the payroll to directors of companies that are suppliers to the council. Of the 31 matches, one undeclared interest was identified, this has now been rectified and the employee has declared the interest.

Training and awareness:

Fraud Awareness training is provided to teams across the Council, for example HR, Direct Payments, Social Care Debt Recovery and Financial Assessments. We often see a positive impact of the training delivered with increased referrals received. Fraud Awareness training and an overview of whistleblowing has also been provided to members of the Audit & Governance Committee. The ongoing programme of training and awareness sessions is continuing, with Headteachers and School Business

Managers receiving training in October 2023. Tailored fraud awareness training was provided to Direct Payment staff and social workers in February 2024.

The combined areas of Finance and Procurement now meet quarterly for an 'all team' event and the April meeting will include a presentation from the fraud team.

Controls Improvement:

Upon the conclusion of each investigation, where applicable, the control environment is reviewed, and a post investigation report issued. The report highlights any weaknesses identified and includes agreed actions to prevent, stop and minimise the risk of reoccurrence. The agreed action plan is monitored for implementation by the Counter Fraud Team.

Since the last update to the November 2023 Audit Committee and November 2023 Audit Working Group, the team have issued one investigation report regarding control improvements required when suppliers request changes to their details held on the IBC portal. (Detail of the case was discussed at the November 2023 Audit Working Group Meeting)

Financial Implications

9. There are no direct financial implications arising from this report. The report presents amounts recovered and prevented future losses from individual investigations.

Comments checked by:

Lorna Baxter, Executive Director of Resources,
lorna.baxter@oxfordshire.gov.uk

Legal Implications

10. There are no direct legal implications arising from this report. The Director of Law and Governance and also the Head of Legal are involved in all Whistleblowing referrals and fraud referral cases that proceed to investigation stages.

Comments checked by:

Paul Grant, Head of Legal, paul.grant@oxfordshire.gov.uk

Staff Implications

11. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

12. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

13. There are no direct sustainability implications arising from this report.

Risk Management

14. There are no direct risk management implications arising from this report.

Lorna Baxter, Executive Director of Resources

Annex: Nil

Background papers: Nil

Contact Officers: Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk
Declan Brolly, Counter Fraud Team Leader,
Declan.brolly@oxfordshire.gov.uk

March 2024

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AUDIT & GOVERNANCE COMMITTEE

13 MARCH 2024

ANNUAL REPORT OF AUDIT AND GOVERNANCE COMMITTEE

Report by Executive Director of Resources (S151 Officer)

RECOMMENDATION

1. **The Audit & Governance Committee is RECOMMENDED to**

To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Audit & Governance Committee.

Executive Summary

2. In accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) Audit Committee Guidelines for Local Authorities 2022, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the committee has discharged its responsibilities.

Annual Report of Audit & Governance Committee

3. A draft report of the activities of the committee for the financial year 2023/24 has been prepared and is included within Annex 1. It has previously been circulated for review and comment to Audit & Governance Committee members. It is proposed that any suggested amendments/additional comments are discussed and agreed at the committee.
4. The final report will then be produced for the Chair of the committee, to schedule and present to Council.
5. Compliance with CIPFA's guidance for Local Authority Audit Committees 2022, demonstrates the committee's commitment to high standards and the production of the annual report demonstrates the role the committee exercises in being a key component of good governance for Oxfordshire County Council.

Financial Implications

6. There are no financial implications arising from this report.

Comments checked by: Lorna Baxter, Executive Director of Resources (s151 Officer), lorna.baxter@oxfordshire.gov.uk

Legal Implications

7. There are no direct legal implications arising from this report.
Comments checked by:

Paul Grant, Head of Legal, paul.grant@oxfordshire.gov.uk

Staff Implications

8. There are no staffing implications arising from this report.

Equality & Inclusion Implications

9. There are no equality and inclusion implications arising from this report.

Sustainability Implications

10. There are no sustainability implications arising from this report.

Risk Management

11. There are no risk management implications arising from this report.

Lorna Baxter, Director of Finance

Annex: Draft Annual Report of the Audit and Governance Committee.

Background papers: None.

Contact Officer: Sarah Cox, Chief Internal Auditor,
sarah.cox@oxfordshire.gov.uk

March 2024.

Audit & Governance Committee Annual Report

Report of the work of the Audit & Governance Committee during 2023-24

Contents

Section	Page
Chair's Introduction	3
Role of the Audit and Governance Committee	4
Key Activities	5

Chair's Introduction

As Chair of the Audit and Governance Committee, I am very pleased to present this annual report which sets out the role of the Audit & Governance Committee and summarises the work we have undertaken both as a committee, and through the support of the Audit Working Group during the financial year 2023/24.

The Committee operates in accordance with the good practice guidance produced by the Chartered Institute of Public Finance Accountancy (CIPFA), revised 2022. The Committee is operating effectively in accordance with the standards, providing an independent and high-level resource which supports good governance and strong public financial management.

Members of the Committee continue to be well supported by Officers, providing a high standard of reports and presentations. I would like to thank the Internal Audit, External Audit, Law and Governance and Finance teams for their input.

We reviewed the Committee's terms of reference to ensure that they continue to be fit for purpose in line with the latest CIPFA guidance.

I should like to take this opportunity to give my personal thanks to all the officers, Dr Geoff Jones, Chair of the Audit Working Group, the Deputy Chair Councillor Brad Baines and all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year.

COUNCILLOR ROZ SMITH

Chair, Audit & Governance Committee

Role of the Audit & Governance Committee

The Audit and Governance Committee operates in accordance with the 'Audit Committees, Practical Guidance for Local Authorities' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) 2022. The Committee complies with the CIPFA's position statement. The Guidance defines the purpose of an Audit Committee as follows:

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

The key functions of the Audit and Governance Committee are defined within the Council's Constitution. In discharging these functions, the Committee is supported by the Audit Working Group.

How the Committee has discharged its responsibilities during 2023/24

Key A&G Committee Activities	May 23	July 23	Sept 23	Nov 23	Jan 24	March 24
Financial Reporting						
Accounting policies – statement of accounts						
Statement of accounts 2022/23						
Review of Treasury Management Outturn 2022/23						
Treasury Management Performance Report						
Treasury Management Annual Investment Strategy 2024/25						
Treasury Management mid-term review						
Financial Management Code Compliance Assessment						
Update on the Procurement Hub and the Implementation of the Social Value Policy						
Internal Audit						
Annual Report of the Chief Internal Auditor 2022/23						
Internal Audit Strategy and Plan 2023/24						
Reports from Audit Working Group						
Review of Internal Audit Reports and monitor of in-year progress						
Review of Internal Audit Charter and Quality Assurance Programme						
Results from external assessment of Internal Audit						
External Audit						
External audit updates						
Draft Audit Results Report 2020/21						
Pension Fund Audit						
Governance & Risk Management						
Annual Governance Statement (AGS) for 2022/23						
Review of AGS action plan						
Audit & Governance terms of reference						
Risk Management update						

Key A&G Committee Activities	May 23	July 23	Sept 23	Nov 23	Jan 24	March 24
Oxfordshire Fire & Rescue Statement of Assurance						
Oxford Fire & Rescue Annual Report						
Local Government Ombudsman annual report						
Monitoring Officer annual report						
Annual Report of A&G committee – draft						
Whistleblowing Policy & annual report						
Annual report of Health and Safety						
Future Council Governance Group						
LEP Transition						
Pension Fund – changes to constitution						
Oxfordshire Code of Corporate Governance						
Member Code of Conduct arrangements						
Delivering the Future Together – Governance Arrangements						
Effectiveness of Internal Audit Review						
Counter-Fraud						
Approval of Counter-Fraud Strategy and plan for 2023/24						
Counter-Fraud Plan update						

The Committee is supported by the Audit Working Group (AWG):

Key Audit Working Group activities	April 23	Sept 23	Nov 23	March 24
Payments to Home Care Providers				
Audit of Fleet Management Compliance				
Capital Assets Disposal Process				
IT Governance – new system implementation				
Counter Fraud Team – case update				
Audit of Physical Security Systems – Building Controls / CCTV				
Audit of Corporate and Statutory Complaints				

2023/24 Key Achievements:

- The Committee and the Audit Working Group (AWG) have continued to review and monitor material weaknesses identified from the internal audit reports with Senior Managers attending to provide assurance on how the issues were being addressed. This has supported the implementation of the actions plans to deliver the required improvements in key areas for the Council.
- The Committee is pleased to note through review of the Internal Audit reports and monitoring by the Committee and AWG, of the agreed management actions that significant weaknesses in the system of internal control are being prioritised and addressed.
- The Committee has provided effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes has contributed to good performance in this area.
- The Committee and AWG continue to consider key topics / areas of risk, seeking assurance from lead officers in the relevant areas that robust processes are in place. Areas considered during 2023/24 have included the Whistleblowing Policy, Delivering the Future Together governance arrangements, follow up of audits of Fleet Management, Physical Security Systems and Corporate and Statutory Complaints.

Our work in 2023/24

The key activities of both the Committee and the Audit Working Group are captured in the tables above. In summary:

Financial Reporting

The Committee is responsible for the review and approval of the annual statement of accounts on behalf of the Council. The Committee has received regular updates on progress from the external auditors and officers.

The Committee receives and reviews the results of the Financial Management Code annual self-assessment.

The Committee receives reports from the Treasury Management Team, exercising its stewardship role. The Committee reviewed the Treasury Management Outturn Report 2022/23, the Treasury Management Mid-term Performance Report 2023/24 and the Treasury Management Strategy Statement and Annual Investment Strategy 2024/25.

The Committee received an update on the Procurement Hub and the implementation of the Social Value Policy.

Internal Audit

The Committee approved the Internal Audit Strategy for 2023/24, including the annual audit plan. The Committee receives regular progress reports from the Chief Internal Auditor, including summaries of the outcomes from Internal Audit work. Through the Audit Working Group, the Committee monitors the progress with the implementation of management actions arising from audit reports.

In response to Internal Audit reports the Committee and the Audit Working Group, has looked in detail at the following areas: Physical Security Systems (overall conclusion graded red) Fleet Management (overall conclusion graded amber) and Corporate and Statutory Complaints (overall conclusion graded amber).

The Committee has continued to monitor the resourcing of Internal Audit. The Committee recognise the challenges in recruitment in this area and continue to be updated regarding the recruitment and retention strategies being adopted, which includes the recruitment of apprentice auditors within the team.

The completion of the Internal Audit Plan and the annual statement of the Chief Internal Auditor is produced for the Committee at the end of the financial year. Based on the evidence of the reports presented to the Audit Working Group and the Committee, the team continues to provide an effective challenge and therefore assurance on the key risk activities.

The Committee also met with the Chief Internal Auditor in a private session during January 2024 and are satisfied Internal Audit are free to carry out their duties without restrictions.

The Committee approve the Internal Audit Charter on an annual basis, this was approved at the July 2023 meeting.

A review of the effectiveness of internal audit was undertaken by the Monitoring Officer during Autumn 2023 and reported to the November 2023 committee meeting. This concluded a strong level of satisfaction about the nature and effectiveness of the service. An external assessment of internal audit was also completed (this is undertaken once every five years) which was reported to the January 2024 committee meeting. The results of the external assessment were that internal audit are fully compliant with Public Sector Internal Audit Standards, and there were no recommendations arising.

External Audit

The Council's external auditors, Ernst and Young, attended committee meetings, providing regular updates on their work plan and any matters arising.

The Committee met with the external auditors in a private session in November 2023. The Committee is satisfied that they are free to carry out their duties without restrictions. We are also assured that if identified they would bring any material issues to the attention of the Committee.

Nationally there have been delays in the completion of historic audits due to initially a technical issue on the valuation methodology of infrastructure assets which subsequently caused delays to commencing the 21/22 audit. The 20/21 Statement of Account was signed off, with an unqualified opinion, in September 2023. The audit of the 21/22 Statement of Account began in January 2023 and was concluded in January 2024, with an unqualified opinion. The Committee was pleased this work has been completed and looks forward to progress being made to complete 22/23 audit as soon as possible.

Governance & Risk Management

The Committee approved the Annual Governance Statement (AGS) for 2022/23. This included improvement actions for 2023/24, within the following areas: Directorate Schemes of Delegation, HR Policies, Governance Policies and Procedures, Constitution Review, Member Training, Review of Customer Feedback, Recording of Decisions, and Financial Management Strategy.

The Committee and AWG receives and considers updates from officers on key topics/areas of risk such as seeking assurance that robust risk management, governance and internal control processes are in place. Regular risk management updates are provided to the Committee.

The Committee also considered the annual report of the Monitoring Officer; the annual report of the Local Government and Social Care Ombudsman; the annual report of Health & Safety; and the Fire and Rescue Service Annual Statement of Assurance, Whistleblowing Policy, Code of Corporate Governance. There were no material issues or concerns arising.

Counter-Fraud

The Audit & Governance Committee receive annually the Counter Fraud Strategy and work plan. The Committee are regularly updated on progress on delivery of the work plan for counter fraud.

The Chief Internal Auditor provided regular updates to the Committee and the AWG on any reported matters of suspected fraud, including investigations. Outcomes of investigations are reported to and monitored by the Committee. The Committee plays a key role in monitoring the effectiveness of the Council's counter fraud arrangements.

The Committee received a report on Whistleblowing from the Monitoring Officer, that highlighted there have been very few cases. The Whistleblowing Policy is currently being reviewed to ensure that it meets the needs of the Council and follows best practice.

Audit & Governance Committee self-assessment 2023

At the end of 2022, CIPFA (The Chartered Institute of Public Finance & Accountancy), issued updated guidelines and position statement to local authority audit committees. As part of those guidelines it is recommended that the committee undertake a regular self-assessment exercise against the recommended standards set out in the CIPFA 2022 guidelines. The Audit & Governance Committee met in February 2023 and completed the self-assessment of good practice, which included review of core knowledge and skills.

The self-assessment exercise concluded that the committee has a high degree of performance against good practice principles, that it is soundly based and has in place knowledge membership. The committee complies with the CIPFA position statement 2022 and has fulfilled its terms of reference and the key issues escalated during the year.

Where matters for improvement were identified, these have been captured within an action plan. The Chair of the Audit & Governance Committee is overseeing the completion of the planned actions.

One of the key recommendations of the CIPFA 2022 guidance is that all audit committees within local authorities have two independent members. The Audit and Governance Committee had already identified this as a required action. Recruitment is currently underway. The Committee already has one independent member who has a well-developed knowledge of how the Council operates.

Division(s): N/A

AUDIT & GOVERNANCE COMMITTEE – 13 MARCH 2024

TREASURY MANAGEMENT QUARTER 3 PERFORMANCE REPORT 2023/24

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **Audit & Governance Committee is RECOMMENDED to note the council's treasury management activity at the end of the third quarter of 2023/24.**

Executive Summary

2. Treasury management is defined as: "The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."
3. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the third for the 2023/24 financial year and sets out the position at 31 December 2023.
4. Throughout this report, the performance for the three quarters of the year to December 2023 is measured against the budget agreed by Council in February 2023.
5. As at 31 December 2023, the council's outstanding debt totalled £284m and the average rate of interest paid on long-term debt during the year was 4.41%. No new external borrowing was arranged during the third quarter, whilst £8m of maturing Public Works Loan Board (PWLB), and £5m of LOBO¹ loans were repaid. The cumulative amount of PWLB and LOBO loans repaid during 2023/24 is £12m and £10m, respectively. The council's forecast debt financing position for 2023/24 is shown in Annex 1.
6. The [Treasury Management Strategy for 2023/24](#) agreed in February 2023 assumed an average base rate of 4.25%.
7. The average daily balance of temporary surplus cash invested in-house was expected to be £480m in 2023/24, with an average in-house return of 3.00%.
8. During the nine months to 31 December 2023 the council achieved an average in-house return of 3.93% on average cash balances of £496.422m, producing gross interest receivable of £14.686m. In relation to external funds, the return for the nine months was

¹ LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

£3.035m, bringing total investment income to £17.721m. This compares to budgeted investment income of £10.805m, giving a net overachievement of £6.916m.

9. At 31 December 2023, the council's investment portfolio totalled £532.604m. This comprised £406.500m of fixed term deposits, £29.216m at short term notice in money market funds and £96.889m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 31 December 2023.

Treasury Management Activity

Debt Financing & Maturing Debt

10. The strategy for long term borrowing agreed in February 2023 included the option to fund new or replacement borrowing up to the value of £180m through internal borrowing. The aim was to reduce the council's exposure to credit risk and reduce the long-term cost of carry (difference between borrowing costs and investment returns).
11. The council is able to borrow from the Public Works Loan Board (PWLB) or through the money markets. Persistently high inflation has led to bond yields, and therefore PWLB rates, remaining high. The expectation is that as inflation falls, PWLB rates should reduce over the medium term. Given the forecast for borrowing rates, the strategy for 2023/24 assumes no new external borrowing during the year, with any increase in the capital financing requirement met through internal borrowing.
12. As at 31 December 2023, the authority had 43 PWLB loans totalling £244.383m, 7 LOBO loans totalling £35m and one £5m money market loan. The average rate of interest paid on PWLB debt was 4.72% and the average cost of LOBO debt in 2023/24 was 3.94%. The cost of debt on the money market loan was 3.95%. The combined weighted average for interest paid on long-term debt was 4.41%. The council's debt portfolio as at 31 December 2023 is shown in Annex 1.
13. The council repaid £8m of maturing PWLB loans and £5m of LOBO loans during the third quarter of the year. The weighted average interest rate payable on the matured loans was 4.645%. The forecast outturn for interest payable in 2023/24 is £12.90m. This is below the budgeted figure of £13.15m as a result of the early repayment of £10m of LOBO loans during the year. The details are set out in Annex 2.

Investment Strategy

14. The council holds deposits and invested funds representing income received in advance of expenditure plus balances and reserves. The guidance on Local Government Investments in England gives priority to security and liquidity and the council's aim is to achieve a yield commensurate with these principles. The council continued to adopt a cautious approach to lending to financial institutions and continuously monitored credit quality information relating to counterparties.
15. During the first three quarters of the financial year term fixed deposits have been placed with other Local Authorities as per the approved lending list, whilst Money Market Funds have been utilised for short-term liquidity. Inter local authority lending remains an attractive market to deposit funds with from a security view point, whilst the Government's Debt

Management Deposit Facility (DMADF) has also provided a competitive and secure counterparty from time to time.

16. The Treasury Management Strategy Statement and Annual Investment Strategy for 2023/24 included the use of external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the council's in-house investment performance over a rolling three-year period. The strategy permitted up to 50% of the total portfolio to be invested with external fund managers and pooled funds (excluding Money Market Funds). The performance of the pooled funds will continue to be monitored by the Treasury Management Strategy Team (TMST) throughout the year against respective benchmarks and the in-house portfolio.
17. At the start of the year the UK Bank Rate was 4.25% which was in line with the forecast. With ongoing inflationary pressures impacting on the UK economy, interest rates rose higher than forecast to 5.25% in August and has remained there to date. The market forecast as at February 2024 is that rates will remain at 5.25% until summer 2024, then slowly reduce to 3.00% by June 2026.

The Council's Lending List

18. In-house cash balances are deposited with institutions that meet the council's approved credit rating criteria. The approved lending list, which sets out those institutions, is updated to reflect changes in bank and building society credit ratings. Changes are reported to Cabinet as part of the Business Management & Monitoring Report. The approved lending list may also be further restricted by officers, in response to changing conditions and perceived risk. There were no changes to the lending list during the third quarter of 2023/24.

Investment Performance

19. Temporary surplus cash balances include: developer contributions; council reserves and balances; and various other funds to which the council pays interest at each financial year end. The budgeted annual return on these in-house balances for 2023/24 was 3.00% and assumed an average annual in-house cash balance of £379.144m.
20. The actual average daily balance of temporary surplus cash invested in-house was £496.422m for the first three quarters of 2023/24 and the average in-house return was 3.93%, producing gross interest receivable of £14.686m. Gross distributions from pooled funds totalling £3.035m were also realised in the three quarters, bringing total investment income to £17.721m. This compares to budgeted investment income of £10.805m, giving a net overachievement of £6.916m. This reflects a combination of higher than forecast average cash balances, and higher than forecast interest rates.
21. Cash balances for the year are forecast to be lower than they otherwise would be as a result of negative Dedicated Schools Grant (DSG) balances relating to High Needs. The negative DSG balance by the end of 2023/24 is forecast to be £64.00m. This would have an estimated opportunity cost of £1.59m in unearned interest during 2023/24.

22. The council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During the first three quarters of 2023/24 the average balance held on instant access was £67.864m, at an average rate of 4.24%.
23. At 31 December 2023 the total value of pooled fund investments was £96.889m. This has increased from the last reported value of £93.473m at 30 September 2023.
24. At 31 December 2023, the council's investment portfolio of £532.604m comprised £406.500m of fixed term deposits, £29.216m at short term notice in money market funds and £96.889m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 31 December 2023.
25. The council's Treasury Management Strategy Team regularly monitors the risk profile of the council's investment portfolio. An analysis of the credit and maturity position of the portfolio at 31 December 2023 is included at Annex 4.

Prudential Indicators for Treasury Management

26. During the first three quarters of the year, the council operated within the treasury limits and Prudential Indicators set out in the council's Treasury Management Strategy for 2023/24. The position for the Prudential Indicators as at 31 December 2023 is shown in Annex 3.

Financial Implications

27. This report is mostly concerned with finance and the implications are set out in the main body of the report. The anticipated use of additional interest to support revenue budget pressures in 2023/24 is set out in the Business Management & Monitoring Report to Cabinet in March 2024.

Comments checked by:

Kathy Wilcox, Head of Corporate Finance, kathy.wilcox@oxfordshire.gov.uk

Legal Implications

28. The report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003. There are no other legal implications.

Comments checked by:

Anita Bradley, Director of Law and Governance, anita.bradley@oxfordshire.gov.uk

Sustainability Implications

29. This report is not expected to have any negative impact with regards to the Council's zero carbon emissions commitment by 2030.

Contact officer: Tim Chapple – Treasury Manager
Contact number: 07917 262935
February 2024

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2023/24

<u>Debt Profile</u>		£m
1. PWLB	64%	256.38
2. Other Long Term Loans	12%	50.00
3. Sub-total External Debt		306.38
4. Internal Balances	24%	96.34
5. Actual Debt at 31 March 2023	100%	402.72
6. Prudential Borrowing		73.35
7. Borrowing in Advance		0.00
8. Minimum Revenue Provision		-11.84
9. Forecast Debt at 31 March 2024		464.23
<u>Maturing Debt</u>		
10. PWLB loans maturing during the year		-12.00
11. PWLB/LOBO Loans repaid prematurely		10.00
12. Total Maturing Debt		-22.00
<u>New External Borrowing</u>		
13. PWLB Normal		0.00
14. PWLB loans raised in the course of debt restructuring		0.00
15. Money Market LOBO loans		0.00
16. Total New External Borrowing		0.00
<u>Debt Profile Year End</u>		
17. PWLB	52%	244.38
18. Money Market loans (incl £35m LOBOs)	10%	40.00
19. Forecast Sub-total External Debt		289.38
20. Forecast Internal Balances	38%	174.85
21. Forecast Debt at 31 March 2024	100%	464.23

Line Explanation

- 1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2023). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied, and excess of creditors over debtors.
- 6 'Prudential Borrowing' is borrowing taken by the authority whereby the associated borrowing costs are met by savings in the revenue budget.
- 7 'Borrowing in Advance' is the amount the Council borrowed in advance to fund future capital finance costs.
- 8 The amount of debt to be repaid from revenue. The sum to be repaid annually is laid down in the Local Government and Housing Act 1989, which stipulates that the repayments must equate to at least 4% of the debt outstanding at 1 April each year.
- 9 The Council's forecast total debt by the end of the financial year, after taking into account new borrowing, debt repayment and movement in funding by internal balances.
- 10 The Council's normal maturing PWLB debt.
- 11 PWLB/LOBO debt repaid early during the year.
- 12 Total debt repayable during the year.
- 13 The normal PWLB borrowing undertaken by the Council during 2023/24.
- 14 New PWLB loans to replace debt repaid early.
- 15 The Money Market borrowing undertaken by the Council during 2023/24
- 16 The total external borrowing undertaken.
- 18-22 The Council's forecast debt profile at the end of the year.

Long-Term Debt Maturing 2023/24**Public Works Loan Board: Loans maturing during 2023/24**

Date	Amount £m	Rate %
30/04/2023	2.000	5.625%
22/05/2023	2.000	5.625%
01/11/2023	8.000	5.000%
Total	12.000	

LOBO Loans called & repaid during 2023/24

Date	Amount £m	Rate %
31/08/2023	5.000	3.820%
27/10/2023	5.000	4.290%
Total	10.000	

Prudential Indicators Monitoring at 30 December 2023

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. To demonstrate that the Authority has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

Authorised and Operational Limit for External Debt

Actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below. The Operational Boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The council confirms that the Operational Boundary has not been breached during the third quarter of 2023/24.

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authorised Limit was not breached in the in the third quarter of 2023/24 and is not expected to be breached by year end.

Authorised limit for External Debt	£555,000,000
Operational Limit for External Debt	£570,000,000
Capital Financing Requirement for year	£508,413,000

	Actual	Forecast
	31/12/2023	31/03/2024
Borrowing	£284,382,618	£284,382,618
Other Long-Term Liabilities	£ 17,000,000	£ 17,000,000
Total	£301,382,618	£301,382,618

Interest Rate Exposures

These indicators are set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures. Fixed rate investments are borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Fixed Interest Rate Exposure

Fixed Interest Net Borrowing limit	£350,000,000
Actual at 31 December 2023	-£146,117,382

Variable Interest Rate Exposure

Variable Interest Net Borrowing limit	£0
Actual at 31 December 2023	-£74,104,268

Principal Sums Invested over 365 days

Total sums invested for more than 364 days limit	£215,000,000
Actual sums invested for more than 364 days	£ 45,000,000

Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing and the actual structure at December 2023, are shown below. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

	Limit %	Actual %
Under 12 months	0 - 20	3.52
12 – 24 months	0 - 25	1.05
24 months – 5 years	0 - 35	20.04
5 years to 10 years	5 - 40	30.02
10 years +	25 - 95	45.36

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 31/12/2023

Fixed term deposits held at 31/12/2023

Counterparty	Principal Deposited	Maturity Date
Torfaen County Borough Council	£7,000,000.00	04/01/2024
Cambridgeshire County Council	£5,000,000.00	10/01/2024
Denbighshire County Council	£5,000,000.00	18/01/2024
London Borough of Lambeth Council	£10,000,000.00	22/01/2024
Manchester City Council	£10,000,000.00	23/01/2024
Fife Council	£5,000,000.00	24/01/2024
Oadby and Wigston Borough Council	£8,000,000.00	24/01/2024
Falkirk Council	£5,000,000.00	25/01/2024
Fife Council	£5,000,000.00	25/01/2024
Guildford Borough Council	£10,000,000.00	25/01/2024
Aberdeenshire Council	£5,000,000.00	05/02/2024
Aberdeenshire Council	£5,000,000.00	08/02/2024
Kirklees Council	£5,000,000.00	15/02/2024
South Ayrshire Council	£3,000,000.00	22/02/2024
Gravesham Borough Council	£6,000,000.00	07/03/2024
Gravesham Borough Council	£5,800,000.00	15/03/2024
Bury Metropolitan Borough Council	£2,000,000.00	10/04/2024
Ashford Borough Council	£5,000,000.00	23/04/2024
North Lanarkshire Council	£5,000,000.00	24/04/2024
Ashford Borough Council	£5,000,000.00	24/04/2024
Police and Crime Commissioner for Merseyside	£5,000,000.00	24/04/2024
Rotherham Metropolitan Borough Council	£5,000,000.00	26/04/2024
Rotherham Metropolitan Borough Council	£5,000,000.00	26/04/2024
Gravesham Borough Council	£2,500,000.00	26/04/2024
Gravesham Borough Council	£2,400,000.00	26/04/2024
Gravesham Borough Council	£1,800,000.00	26/04/2024
Rushmoor Borough Council	£5,000,000.00	10/05/2024
London Borough of Newham Council	£5,000,000.00	13/05/2024
London Borough of Newham Council	£5,000,000.00	13/05/2024
Gloucester City Council	£7,000,000.00	15/05/2024
Cheshire East Council	£5,000,000.00	15/05/2024
West Dunbartonshire Council	£5,000,000.00	16/05/2024
The Highland Council	£3,000,000.00	17/05/2024
Rushmoor Borough Council	£5,000,000.00	21/05/2024
North Lanarkshire Council	£5,000,000.00	21/05/2024
South Ayrshire Council	£5,000,000.00	24/05/2024
Worcestershire County Council	£5,000,000.00	06/06/2024
Manchester City Council	£5,000,000.00	17/06/2024
Worcestershire County Council	£5,000,000.00	27/06/2024
Bradford Metropolitan District Council	£5,000,000.00	28/06/2024
The Highland Council	£5,000,000.00	01/07/2024

Counterparty	Principal Deposited	Maturity Date
Conwy County Borough Council	£5,000,000.00	03/07/2024
Isle of Wight Council	£5,000,000.00	05/07/2024
North Lanarkshire Council	£5,000,000.00	05/07/2024
Isle of Wight Council	£5,000,000.00	05/07/2024
North Lanarkshire Council	£5,000,000.00	05/07/2024
Conwy County Borough Council	£5,000,000.00	09/07/2024
Monmouthshire County Council	£5,000,000.00	10/07/2024
Bradford Metropolitan District Council	£5,000,000.00	24/07/2024
London Borough of Newham Council	£10,000,000.00	30/07/2024
Cambridgeshire County Council	£5,000,000.00	15/08/2024
London Borough of Brent Council	£5,000,000.00	15/08/2024
West Dunbartonshire Council	£5,000,000.00	15/08/2024
Plymouth City Council	£5,000,000.00	04/09/2024
London Borough of Haringey Council	£5,000,000.00	05/09/2024
The Highland Council	£5,000,000.00	25/09/2024
Rotherham Metropolitan Borough Council	£5,000,000.00	30/09/2024
Falkirk Council	£5,000,000.00	01/10/2024
Great Yarmouth Borough Council	£8,000,000.00	08/10/2024
Orkney Islands Council	£5,000,000.00	10/10/2024
The Highland Council	£7,000,000.00	16/10/2024
London Borough of Haringey Council	£5,000,000.00	18/10/2024
West Dunbartonshire Council	£5,000,000.00	23/10/2024
Fife Council	£5,000,000.00	24/10/2024
Worthing Borough Council	£3,000,000.00	19/11/2024
Aberdeen City Council	£5,000,000.00	19/11/2024
Aberdeen City Council	£5,000,000.00	19/11/2024
Aberdeen City Council	£5,000,000.00	20/11/2024
Moray Council	£5,000,000.00	26/11/2024
Short Term Deposit Total	£361,500,000.00	

Counterparty	Principal Deposited	Maturity Date
Falkirk Council	£5,000,000.00	03/01/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	06/01/2025
Falkirk Council	£5,000,000.00	31/01/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	14/04/2025
Kirklees Council	£5,000,000.00	15/08/2025
Derbyshire County Council	£5,000,000.00	26/08/2025
North East Lincolnshire Council	£5,000,000.00	21/11/2025
Worthing Borough Council	£5,000,000.00	21/11/2025
Derbyshire County Council	£5,000,000.00	25/08/2026
Long Term Deposit Total	£45,000,000.00	
Total Deposits	£406,500,000.00	

Money Market Funds

Counterparty	Balance at 31/12/23 (£)	Notice period
Aberdeen Liquidity Fund	50,000.00	Same day
Goldman Sachs Sterling Liquid Fund	0.00	Same day
Deutsche Sterling Liquid Fund	0.00	Same day
Federated Sterling Liquidity Funds	25,000,000.00	Same day
Legal & General Sterling Liquidity Fund	4,100,000.00	Same day
CCLA Public Sector Deposit Fund	159.66	Same day
Morgan Stanley Sterling Liquid Fund	50,000.00	Same day
Total	29,150,159.70	

Notice / Call Accounts

Counterparty	Balance at 31/12/23 (£)	Notice period
Santander Call Account	3,724.48	Same day
Barclays Current	9,258.91	Same day
Handlesbanken	2,386.74	Same day
Total	15,370.13	

Strategic Bond Funds

Fund	Balance at 31/12/23 (£)	Notice period
Threadneedle strategic bond fund (income)	12,478,200.65	4 days
Threadneedle Global Equity Income Fund	15,678,495.79	4 days
Kames Diversified Income	9,233,345.74	4 days
Ninety One Diversified Income	8,986,389.28	4 days
M&G Strategic Corporate Bond Fund	11,465,033.42	4 days
Schroder Income Maximiser	10,863,994.88	4 days
CCLA Diversified Income Fund	4,896,769.44	4 days
Total	73,843,235.79	

Property Funds

Fund	Balance at 31/12/22 (£)	Notice period
CCLA Local Authorities Property Fund	23,045,502.42	Monthly
Total	23,045,502.42	

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AUDIT and GOVERNANCE COMMITTEE March 2024 RISK MANAGEMENT OVERVIEW

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. The Committee is RECOMMENDED to
 - To note the Risk Management Update

Executive Summary

1. This report sets out updates to Risk Management and an overview of the latest strategic risk register which contains the Council's most significant risks. The strategic risk register is closely managed by the Council Management Team and reported into the Strategic Leadership Team as part of the Council's Business Management and Monitoring Reports. These combined reports contain performance, risk and finance progress updates against the delivery of the current strategic plan priorities.

Introduction

2. The Oxfordshire County Council Risk Management strategy is the overarching framework of the strategic and operational risks and management process across the council. The strategy is reviewed and updated on an annual basis. This annual review ensures the strategy is linked to the budget and business planning process, the strategic plan and captures any external influence that may impact on the risk management process. The strategy will be submitted for review and approval in September 2024.

3. The current 2022 – 2025 Strategic Plan includes nine priorities, leading positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

4. The Performance and Insight team are responsible for the management and reporting of strategic risks and continue to work with services to assess training needs and further embed the risk management process across the organisation.

Key updates

5. Councillor training was held earlier in the year (June 2023) as part of the Audit and Governance Committee. This was held virtually and recorded covering the key role aspects supporting the overarching strategy and linking to the council's strategic priorities.

6. The Strategic Leadership Team have received the six monthly risk workshop during October 2023, this includes a thorough review of all strategic risks ensuring all risks continue to be relevant as a strategic risk, horizon scanning of other risks. The next workshop is due to take place in April of the 24/25 financial year.

7. A number of training sessions have also happened at Directorate Leadership Team (DLT) sessions to review and discuss operational risk, awareness of the escalation process and strategic risks for their service area.

8. The consistent approach of using the operational and strategic risk templates has been embedded more widely and updated templates are available to all on the intranet. These simple templates reflect the Strategic plan priorities to ensure all risks align appropriately to the relevant priority/outcomes.

9. The Performance and Insight team are continually reviewing and developing the reporting system of the strategic risk register within the same IT system that the council uses for performance reporting. This was launched in October 2023, the system is being further developed to enable proactive monitoring and management of the risk actions supporting the mitigation of risks playing out etc.

10. The team are working closely with DLT's to discuss performance and risks and the proactive management of risk actions. Reporting of these areas has been made available in a performance and risk dashboard, also held on the performance system.

11. This progress in reporting has enabled improved proactive reporting and risk management Awareness.

12. The team are responsible for collating and reporting the Business Management and Monitoring report, which includes the three elements, performance, risk and finance. Further risk training is taking place within this team becoming qualified risk practitioners. Following this training, completion of a risk health check will be completed and a thorough action plan will be developed in line with internal audit actions.

Strategic Risk Register

13. The term "Strategic risk" refers to both strategic risks (risks to the Council's strategic objectives) and operational or programme/project risks which have been escalated due to the severity of their likelihood and/or impact. It does not necessarily include risks to the community, which are managed through the Community Risk Register, overseen by the Local Resilience Forum, (of which the Council is a member).

14. The Strategic Risk Register records the risks identified as requiring the most senior management attention. The Strategic Risk Register is reviewed monthly by Council Management Team, and bi-monthly by Strategic Leadership Team, Informal Cabinet, Cabinet and is also an agenda item for chairs of scrutiny committees as part of the Business Management and Monitoring reporting.

15. The high-level overview of the Strategic Risks will be reported publicly as part of the Business Management and Monitoring Report pack which goes to the chairs of overview and scrutiny committees and Cabinet.

16. Strategic Risk Register overview – January 2024

The table below provides an overview of the current strategic risk position. Strategic risks are reviewed monthly as part of the Business management and monitoring process. Risks can be added and escalated at any time during the year.

There are currently 9 strategic risks listed below, the most recent additions are Strategic Risk no.8 Policy & Budget and Strategic Risk no.9 Delivering the Future Together.

Risk Name	Risk Description	31 Jan 2024				
		Inherent Score	Previous Residual Risk Score	Current Residual Risk Score	Current Residual Risk Rating	Direction of Travel
01. Financial Resilience	The council is not financially sustainable in the immediate/medium term.	25	12	12	●	➡
02. Cyber security	A successful and significant Cyber-attack leading to disruption, damage or compromise of any of the council's computer services, information systems, infrastructure or data.	25	15	15	●	➡
03. HIF1&HIF2	HIF1 and HIF2 become undeliverable and/or potential financial risk to the council	16	12	12	●	➡
04. Managing Demand across Adult's and Children's Services	Fluctuating demand of community across Oxfordshire can result in varying requirements in resource.	15	12	12	●	➡
05. Special Educational Needs and Disability (SEND)	Local area SEND partnership inspection outcomes found widespread systemic failure. Delay for children having their SEND needs met. Reputational damage (locally, regionally, and nationally).	25	16	16	▲	➡
06. Oxford Core Schemes	Failure to deliver Oxford Core Schemes (Traffic Filters, Workplace Parking Levy, Zero Emissions Zone and associated city area schemes such as Low Traffic Neighbourhoods) with public support.	20	16	16	▲	➡
07. Strategic Workforce Planning	A risk that the county council's workforce does not have capacity, capability or resilience to deliver key functions, statutory services or transformational changes required to ensure the councils objectives and long-term priorities are met. Further, that the diversity of the workforce satisfies statutory requirements.	16	12	12	●	➡
08. Policy & Budget	Inability to seek agreement in relation to the policy and budget framework from a minority administration.	25	20	20	▲	➡
09. Delivering the Future Together	Failure to deliver organisation wide transformation.	25	16	16	▲	➡

Table 1: Strategic Risk Overview for January 2024. Please note that a strategic risk regarding resilience in the face of climate change will be forthcoming early in 2024.

The team are working with the climate change team regarding a possible escalation of risk regarding resilience in the face of climate change.

Corporate Policies and Priorities

2. The risk management process links to all nine of the strategic priorities. All templates include the link to the strategic priorities to ensure risks are identified with any effect to priorities possibly not being delivered.

Financial Implications

3. There are no significant financial implications from this paper

Comments checked by:

Ian Dyson, Assistant Director finance, ian.dyson@oxfordshire.gov.uk

Legal Implications

4. There are no significant legal implications from this paper

Comments checked by:

Anita Bradley, Director of Law & Governance and Monitoring Officer
Anita.Bradley@oxfordshire.gov.uk

Risk Management

5. There are no significant risk implications from this paper.

Louise Tustian, Head of Insight and Corporate Programmes.

Contact Officer: Louise Tustian, Head of Insight and Corporate Programmes
Louise.Tustian@oxfordshire.gov.uk

March 2024

Divisions Affected - All

AUDIT & GOVERNANCE COMMITTEE

13 March 2024

Local Enterprise Partnership (LEP) Functions: Transition Arrangements

**Report by
Executive Director of Resources**

RECOMMENDATIONS

1. The Committee is **RECOMMENDED** to
 - a. Note the government announcement on the transfer of Local Enterprise Partnership core functions.
 - b. Note the approach to LEP transition and proposed changes to OxLEP Ltd governance.
 - c. Note that there will be further work on the governance arrangements during the implementation phase and an update will be brought to committee in approximately six months' time.

Executive Summary

2. Government has announced that from 31 March 2024, Local Enterprise Partnerships (LEPs) will cease to have official recognition and that existing LEP functions will transfer to upper-tier local authorities or combined authorities, where they exist.
3. Following this announcement, it is important to establish a new governance framework to ensure local arrangements continue to meet government guidance. The County Council has agreed to create a controlling interest in OxLEP Ltd and become the sole member. To enable this to happen the OxLEP Ltd Board will need to consider and approve a revision to its Articles of Association and By-Laws whereby the County Council will become the sole 'member' of the company, exercising its membership functions through Cabinet.
4. Following agreement of Cabinet on 27 February 2024, the proposals for LEP transition are due to be considered by OxLEP Ltd Board on 12 March 2024.

5. If the proposed approach is agreed by the Board of OxLEP Ltd the County Council will need to review mechanisms for exercising oversight of the company, including paying specific attention to how the council will manage the sole member function and any additional audit and governance requirements.

Background

6. Formally launched in March 2011, OxLEP Ltd was initially established as a partnership with the local authorities, businesses and education sector in the area, and was incorporated as a not-for-profit company limited by guarantee on 31 March 2015.
7. Oxfordshire County Council acts as OxLEP's Accountable Body in respect of OxLEP Ltd's core funds and any additional central government funding received.
8. In August 2023, government confirmed that from April 2024, the government's sponsorship and funding of LEPs will cease. The associated guidance states that the government expects the functions currently delivered by LEPs – namely, business representation, strategic economic planning, and the delivery of government programmes where directed – to be exercised by upper tier local authorities, where they are not already delivered by a combined authority. In Oxfordshire's case this means Oxfordshire County Council.

Proposed Approach

9. To ensure an orderly transfer of functions and then subsequent development and design to support the delivery of future strategy, a three-phase approach to transition has been developed to cover transition, implementation, and establishment. This is set out below:
 - a. **Phase 1 – Transition (By 1 April 2024)**

During this phase, interim governance arrangements will be put in place, to be agreed in consultation with the current LEP board, but to establish Council control as per government guidance, demonstrating that the functions move to the County Council. The Corporate Director of Environment and Place will have day to day responsibility for the LEP functions (within the company arrangements to be agreed) and company registered office address (if relevant) will be amended to County Hall.
 - b. **Phase 2 – Implementation (1 April – 30 September 2024)**

During the first six months there will be a review of purpose and economic planning, including updates to the Strategic Economic Plan. A medium-long term business plan will be developed along with ongoing review of operational alignment with existing council economic and related functions. The medium-term approach to business engagement and broader partnership bodies will also need review in-line with the new operating model and strategy. Alignment of policy and processes, ensuring optimum operational efficiency with the County Council will also form part of this review. The current board will be asked to continue to serve to support the implementation process.

c. Phase 3 – Establishment (1 October 2024 – 31 March 2025)

Having developed a new medium-long term business plan we would expect revised operating model, structure and governance to be fully implemented during this period. The revised links and interactions with wider economic development resources within the Oxfordshire system will be reviewed.

Governance Framework

10. Given the Government's decision to devolve LEP responsibilities to upper tier local authorities before the end of March 2024 a revised governance framework is needed that ensures that the County Council, as the body accountable for decisions, retains ultimate control.
11. The proposal is that a County Council controlling interest is created within the existing company structure and if agreed by the OxLEP Ltd Board the County Council will become the sole member of OxLEP Ltd. The company member function will be exercised by Cabinet during the implementation phase. However, this function may be delegated to an individual cabinet member, sub-committee, or officer in future, following a review of the mechanisms through which the County Council exercises governance of its entities and the future governance structure of the LEP itself.
12. Under the proposed approach, to avoid public procurement and VAT reclaim issues, the company would most likely need to qualify as a "Teckal" company. A Teckal company is a type of company that is wholly owned by a local authority and is exempt from certain procurement regulations. To be Teckal compliant, the local authority must control all of the shares in the company and must also exercise effective day-to-day control over its affairs. The company must be "inwardly and not outwardly focused". At least 80% of the activity of the Teckal company must be for its public sector owners.
13. As noted above, OxLEP is set up as a company limited by guarantee, this means that it has a 'member' rather than 'shareholder' structure. The County Council needs to consider how it exercises control of the company and how oversight will be undertaken. Best practice guidance from Local Partnerships has been considered and while aimed primarily at Local Authority Trading Companies with a shareholder structure, provides a model that can be adapted for companies limited by guarantee. This guidance has helped to inform the initial principles which are explored in the following paragraphs of this report. However, more work needs to take place during the transition phase to build on these principles.
14. The role of the member includes:
 - a. Oversight of any decisions that can only be made by the member, rather than left to the entity (known as 'reserved matters')
 - b. The necessary oversight from the member's perspective that the parameters, policies and boundaries that the council has established are being adhered to

c. A mechanism to communicate the member's views to the entity

15. In addition, there should be evidence that the individual undertaking the member role is provided with suitable training and support commensurate with the role and is independent of the company. This responsibility may be delegated to a committee rather than an individual. If this is the case, there must be a terms of reference drawn up and a suitable cohort of elected members identified to sit on the committee.
16. Further work will be undertaken on the governance arrangements during the implementation phase and brought back to the Audit & Governance Committee in approximately six months.
17. During transition phase, it is proposed that the current OxLEP Ltd structure is retained. OxLEP Ltd has a clear governance framework that consists of policies and procedures, control systems and external validation to ensure the organisation is fulfilling its obligations. This includes a Finance and Audit Committee that provides internal challenge and scrutiny to the financial processes and procedures within the organisation. The S151 Officer from the County Council is invited to attend all meetings in their role representing the accountable body.
18. OxLEP Ltd appoint auditors each year, with the team structure approved by the Finance and Audit Committee under delegated powers and in November 2023, it appointed auditors for the financial year 2023/24 and approved the planned approach and outline scope for the Internal Controls Review 2024.
19. In line with Local Partnerships Local Authority Company Review Guidance (2023) Audit & Governance Committee will want to seek assurance that any recommendations from external or internal audit reviews have been implemented and that the company is acting in the council's best interests through other mechanisms such as a sub-committee.

Financial Implications

20. Government guidance is that assets of the LEP should be transferred to the public sector, and this includes those reserves retained to cover the potential risk of future redundancies. Similarly, in relation to Enterprise Zones, the future functioning, management, and governance of these should be agreed locally, in line with any pre-existing arrangements. Where LEPs cease operations, areas should reach locally agreeable and workable solutions to ensure a smooth transition of functions. Government expects that all decisions on the transfer and future management of assets will be taken by the LEP and its Accountable Body by March 2024 but recognises that the actual transfer process may stretch beyond that.
21. The Government confirmed on 19 December 2023 that they will provide up to £240,000 per local authority area in 2024/25 to deliver the functions previously delivered by LEPs – namely business representation, local economic planning, and delivery of Government programmes where directed – subject to final business case approval and the approval of integration plans. Funding beyond 2024/25 will

be subject to future spending review decision. This core funding is separate to any programme funding that may be provided to support the delivery of, for example, Growth Hubs or Careers Hubs. Funding for the delivery of government programmes as directed will be communicated to authorities by the responsible government department or body as per usual processes.

22. Oxfordshire County Council is the accountable body for OxLEP Ltd. As an accountable body, the Council takes responsibility for receipt and financial probity of external funding on behalf of the OxLEP Ltd and ensures the proper and effective use of those funds. As required in Financial Regulations, where the Council acts as an Accountable body, a formal agreement (memorandum of understanding) is in place which sets out the operational protocols between the Council and OxLEP Ltd.
23. Given the Government's decision to devolve LEP responsibilities to upper tier local authorities before the end of March 2024 a revised governance framework is needed that ensures that the County Council, as the body accountable for decisions, retains ultimate control. From 1 April 2024 the County Council is expected to become the sole member of OxLEP Ltd and the company member function will be exercised by Cabinet during the implementation phase.
24. The Council has undertaken due diligence to ensure it understands the financial position of OxLEP and any risks associated with the transfer of ownership of the company to the Council. From 2024/25 group accounts will be required to incorporate the accounts for the OxLEP Ltd Teckal company into the County Council's Statement of Accounts.

Comments checked by:
Kathy Wilcox, Head of Corporate Finance

Legal Implications

25. The Council has taken external legal advice jointly with OxLEP in relation to company law issues. The legal implications are summarised within the body of this report, in particular within the Governance Framework. As stated elsewhere in this report, the Cabinet decision taken on 27 February 2024 is dependent on the agreement of the OxLEP Board and any legal changes will not take effect until that agreement is obtained.

Comments checked by:
Paul Grant, Head of Legal and Deputy Monitoring Officer

LORNA BAXTER

Executive Director of Resources

Contact Officer: Robin Rogers, Programme Director (Partnerships and Delivery) robin.rogers@oxfordshire.gov.uk
Chloe Taylor, Head of Economy

chloe.taylor@oxfordshire.gov.uk

March 2024

Divisions Affected - All

AUDIT & GOVERNANCE COMMITTEE

13 March 2024

Statement of Accounts 2023/24

Report by the Executive Director of Resources and Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - (a) Endorse the proposed timetable to produce the draft Statement of Accounts for 2023/24.
 - (b) Note the consultation for back stop arrangements for the Statement of Accounts for 2022/23.
 - (c) Ratify the accounting policies as approved by the Executive Director of Resources and Section 151 Officer and included as an annex to this report.

Executive Summary

2. This report sets out the approach taken to the preparation of the 2023/24 Statement of Accounts including:
 - (a) The proposed date for publication of the draft 2023/24 Statement of Accounts, and
 - (b) The approved Significant Accounting Policies which describe how the Council has interpreted and applied the CIPFA 2023/24 Code of Practice in Local Authority Accounting in the UK (the Code) and the basis of preparation of the accounts.

Statement of Accounts 2023/24

3. Subject to any further update nationally, draft accounts for 2023/24 are currently required to be published by the end of May 2024 so the public inspection period can begin in June 2024.
4. The impact of the 2022/23 accounts not being signed off creates challenges that affect the ability to meet this deadline. The Section 151 Officer must consider whether there is sufficient information available to ensure the Statement of Accounts are true and fair and free from material misstatement.

With the audit of 2022/23 not completed, it is not possible to know if there are any audit issues and any impact on prior year comparators in the 2023/24 accounts.

5. Taking this into consideration, it is not expected that it will be possible to publish draft accounts for 2023/24 by 31 May 2024. A more realistic publication date of 30 June 2024 will still provide time for the Committee time to consider the draft set of accounts prior to their audit. The Council's website will be updated to inform the public of the timing of the inspection period.

Consultation: Addressing the local audit backlog in England

6. In early February DLUHC issued a [consultation](#) with the aim of clearing the backlog of local audits in England. The consultation seeks views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing for the future. A summary of the three focal points of the consultation are set out below:

Reset	Recovery	Reform
Backstop date for all accounts up to 2022/23 to be signed off is 30 Sept 2024. Auditors are expected to complete as much work as possible.	Backstop dates have been set for accounts up to 2027/28. A draft of the Auditor's Annual Report needs to be issued by 30 November each year irrespective of position on the audit.	Build on recommendations of the Redmond Review and LUHC Committee report. HM Treasury to carry out a thematic review Financial Reporting Council to look at Local Audit Workforce Strategy CIPFA to introduce a Local Audit Qualification.

7. If audit work is not completed by 30 September 2024, then the 2022/23 Statement of Accounts would receive one of the following opinions:
 - (a) *Modified Qualified Opinion*: The auditor reports that there are material misstatements or limitations in the financial statements, but not pervasive enough to invalidate them.
 - (b) *Modified Adverse Opinion*: The auditor states that the financial statements are not presented fairly and do not comply with accounting standards and regulations.
 - (c) *Disclaimer of Opinion*: The auditor disclaims any opinion on the financial statements due to severe limitations or uncertainties.
8. Details have not been made clear on any future year implication of receiving one of the above opinions. The consultation closed on 7 March and the outcome and any changes will be communicated at a future meeting.

Significant Accounting Policies 2023/24

9. The Council's Statement of Accounts is prepared in accordance with the Code¹. The Council is required to adopt accounting policies that are set out in the Code which describe how the Council has interpreted and applied the Code.
10. The Code defines Accounting Policies as 'the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements.'
11. The significant accounting policies adopted by the Council are disclosed within three notes to the Core Financial Statements in the Statement of Accounts set out below and listed in full in Annex 1:
 - Summary of Significant Accounting Policies
 - Critical judgements in applying accounting policies
 - Assumptions made about the future and other major sources of estimation uncertainty
12. The Code prescribes that 'authorities shall apply the objective, underlying assumption and qualitative characteristics of useful financial information, in the selection and application of accounting policies and estimation techniques.'
13. The Code provides a detailed framework within which accounting policies must be set:
 - When the Code specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Code. Those policies need not be applied when the effect of applying them is immaterial.
 - Where the Code does not specifically apply to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is:
 - a) relevant to the decision-making needs of users, and
 - b) reliable, in that the financial statements:
 - i) represent faithfully the financial position, financial performance and cash flows of the authority
 - ii) reflect the economic substance of transactions, other events and conditions and not merely the legal form
 - iii) are neutral, i.e. free from bias
 - iv) are prudent, and
 - v) are complete in all material respects.

¹ The Code is the CIPFA Code of practice on local authority accounting in the United Kingdom 2023/24

- In making the judgement management shall refer to, and consider the applicability of, the Code requirements dealing with similar and related issues. Management may also consider the most recent pronouncements of standard-setting bodies and accepted public or private sector practices to the extent, but only to the extent, that these do not conflict with the requirements of the Code.
- An authority shall select and apply its accounting policies consistently for similar transactions, other events and conditions, unless the Code specifically requires or permits different treatment.
- An authority shall change an accounting policy only if the change is required by the Code or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events and conditions on the authority's financial position, financial performance or cash flows.
- Where an authority changes an accounting policy, it shall apply the changes retrospectively unless the Code specifies transitional provisions that shall be followed. A change in accounting policy shall be applied retrospectively by adjusting the opening balance of each affected component of net worth for the earliest period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied, except to the extent that it is impracticable to do so.

Approval of Accounting Policies

14. The code states that the Chief Finance Officer is responsible for selecting 'suitable' accounting policies and ensuring that they are applied consistently in the preparation of the statement of accounts. The Director of Resources and Section 151 Officer has approved the Summary of Significant Accounting Policies for 2023/24 as set out in Annex 1. All significant accounting policies have been selected with reference to the Code. There are no additions or amendments to the policies that were in place for 2022/23.
15. The Council's auditors will review the adopted accounting policies as part of the audit of the statement of accounts. There is also an expectation that the auditors will be able to evidence that the accounting policies have been approved by the Audit and Governance Committee in its capacity as 'Those Charged with Governance'. The Audit and Governance Committee is therefore asked to ratify the accounting policies as set out in Annex 1.

Financial Implications

16. There are no financial implications arising directly from the report.

Comments checked by:

Kathy Wilcox, Head Financial Strategy and Deputy Section 151 Officer

Kathy.Wilcox@oxfordshire.gov.uk

Legal Implications

17. There are no legal implications arising directly from the measures set out. However, the Council will need to ensure that arrangements are put in place to comply with any amendments to the Local Audit and Accountability Act 2014, Accounts and Audit Regulations 2015 and statutory guidance, including the Code of Practice on Local Authority Accounting in England and Wales.

Comments checked by:
Paul Grant, Head of Legal & Deputy Monitoring Officer,
Paul.Grant@oxfordshire.gov.uk (Legal)

LORNA BAXTER
Director of Finance

Annex 1: Note 1. Summary of Significant Accounting Policies

Background papers: Nil

Contact Officer: Richard Quayle, Chief Accountant,
Richard.quayle@oxfordshire.gov.uk

March 2024

Annex 1 – Proposed Notes to the Accounts

Please note that the numbering of the notes is likely to be different in the draft set of accounts as we are looking to change the sequence of them to make it more helpful for readers to cross reference notes to the main statements. The paragraph numbering below will not appear, it has been included here for ease of reference.

Summary of Significant Accounting Policies General

1. The Statement of Accounts summarises the County Council's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024. It has been compiled in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* (the *Code*), published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
2. Going Concern
3. The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the County Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.
4. Accruals of Income and Expenditure
5. Activity is accounted for in the year that it takes place, not simply when the cash payments are made or received.
6. Where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is reduced, and a charge is made to revenue for the income that might not be recoverable.
7. Government Grants and Contributions
8. Government grants and third-party contributions are accounted for on an accrual basis and are recognised in the Statement of Accounts when there is reasonable assurance that the County Council will comply with the conditions attached to their payment and that the grants or contributions will be received.
9. Grants and contributions relating to capital and revenue expenditure are recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the County Council has not satisfied. Conditions are stipulations that require the grant or contribution to be returned to the provider if the terms of the grant or contribution are not met.
10. Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (capital monies within Capital Grants Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant directorate line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income line (un-ringfenced revenue grants and all capital grants and contributions) in the Comprehensive Income and Expenditure Statement.

11. Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement are reversed out of the County Fund Balance in the Movement in Reserves Statement - where the grant/contribution has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve; where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.
12. Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with any conditions that would require repayment of the grant or contribution if not met, and the grants and contributions will be received.
13. Grants and contributions are credited to the Comprehensive Income and Expenditure Statement when recognised as due to the Council (i.e. specific revenue grants and contributions are credited to the relevant service line in the Cost of Services, and capital grants and contributions and non-ring-fenced grants are credited to Taxation and Non Specific Grant Income and Expenditure).
14. Where specific revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement, but the associated expenditure has not yet been incurred, the grant is set aside in an Earmarked Revenue Reserve so that it can be matched with the expenditure in a subsequent year.
15. Capital grants and contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and are transferred to the Capital Adjustment Account (if the grant eligible expenditure has been incurred); or to the Capital Grants Unapplied Account.
16. Revenue grants and contributions that have been credited to the relevant directorate line in the Comprehensive Income and Expenditure Statement that remain unapplied as at the Balance Sheet Date and are required to meet committed expenditure in future years are transferred to an earmarked reserve through the Movement in Reserves Statement.

Council tax and business rates income

17. The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) for the year is the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the County Fund is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement.

18. The district councils in Oxfordshire are acting as agents of the County Council in collecting council tax and business rates. The cash collected from council taxpayers and business rates payers belongs proportionately to the district councils and the major preceptors. There is therefore a debtor/creditor position between each district council and the County Council to recognise that the net cash paid to the County Council in the year is not the same as its share of cash collected. The County Council recognises its share of council tax and business rates debtor and creditor balances, impairment allowances for doubtful debts and provisions for losses on appeal in its Balance Sheet. The Cash Flow Statement of the County Council includes the net council tax and business rates cash received from the Collection Fund in the year.

Employee Benefits

Benefits Payable during Employment

19. Short-term employee benefits are recognised as an expense in the year in which employees render service to the Council.

Termination Benefits

20. Termination benefits are charged, on an accruals basis, to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Post-Employment Benefits

The County Council participates in four pension schemes:
The Local Government Pension Scheme;
The Fire-fighters' Pension Scheme;
The Teachers' Pension Scheme; and
The NHS Pension Scheme.

21. These schemes provide defined benefits to members. However, the arrangements for the teachers' pension scheme and the NHS pension scheme mean that liabilities for these benefits cannot be identified to the County Council. These schemes are therefore accounted for as if they are defined contributions schemes – no liability for future payment of benefits is recognised in the Balance Sheet and the relevant service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable in the year.
22. The County Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award are accounted for on the same basis as defined benefit schemes.
23. For the schemes treated as defined benefit schemes the Cost of Services includes:

24. Current service cost – the increase in the present value of a scheme's liabilities resulting from employee service in the current period. This is included in the relevant directorate line within the Cost of Services.
25. Past service cost – the increase in the present value of the scheme liabilities for employee service in prior periods, resulting from a scheme amendment or curtailment. This is included in Other Corporate Costs within the Cost of Services.
26. Gain/loss on settlement – changes in liabilities relating to actions that relieve the County Council of primary responsibility for a pension obligation. This is included in Other Corporate Costs within the Cost of Services.
27. The net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - is included in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.
Remeasurements comprising actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuary has updated their assumptions – and the return on scheme assets, excluding amounts included in net interest on the net defined liability (asset), are recognised in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.
28. Scheme assets attributable to the County Council are measured at fair value as at the Balance Sheet date. Scheme liabilities attributable to the County Council are measured on an actuarial basis using the projected unit method. The net pensions liability is recognised in the Balance Sheet.
29. The amount chargeable to the County Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each particular pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.
30. Fire-fighters injury awards are disability benefits paid by the County Council that do not form part of the fire-fighters pension scheme. However, the measurement of these long-term benefits is subject to the same degree of uncertainty as the measurement of fire-fighters post-employment benefits and therefore they are accounted for in the same way as fire-fighters post-employment benefits.

Property, Plant and Equipment

31. Assets that have a physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These include operational land and buildings,

vehicles, plant and equipment, surplus assets, assets under construction and infrastructure.

32. Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the County Council and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance, which is charged directly to service revenue accounts as an expense when incurred.

33. Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (this only applies when the County Council has an obligation to carry out such activities when the item is acquired, constructed or installed)

34. The County Council does not capitalise borrowing costs incurred whilst assets are under construction.

35. Property, Plant and Equipment is subsequently carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Other Property, Plant and Equipment assets (excluding surplus assets) – current value, determined as the amount that would be paid for the asset in its existing use
- Surplus assets – fair value (at highest and best use), determined as the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date
- Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.
- Where non-property assets have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value.

36. A *de minimis* level of £20,000 is applied for land and buildings and £15,000 for vehicles and plant, other than for schools local capital spend where a *de minimis* of £2,000 is applied.

37. Revaluations of property assets are undertaken on a three-year rolling programme as shown below. Material changes to asset valuations are adjusted in the interim periods.

		Date of Last Revaluation	Date of Next Revaluation

Year 1	Secondary and Special Schools, Other Educational Premises (Children's, Youth and Sports Centres)	2021/22	2024/25
Year 2	Primary, Nursery, Junior and Infant Schools	2022/23	2025/26
Year 3	Social Care Premises, Libraries, Museums and Adult Learning, Fire & Rescue Service Premises, Community Safety, Staff Housing, Central Offices and Highways Depot	2023/24	2026/27

38. Investment properties valuations are reviewed annually. Assets held for sale are revalued at the point of reclassification to that category.

39. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a directorate.

40. Decreases in valuations are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant directorate in the Comprehensive Income and Expenditure Statement

Assets are assessed each year as to whether there is an indication of impairment. Where indications exist and the recoverable amount of the asset is materially lower than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified they are accounted for in the same way as decreases in valuations.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant directorate, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation of Property, Plant and Equipment

41. Depreciation is provided for on all Property, Plant and Equipment with a finite life, which is determined at acquisition or revaluation. Assets in the course of construction are not depreciated until they are brought into use. Depreciation is an estimation technique that is calculated using the straight-line method with the following asset lives:

Buildings	60 years (or less if specified by the valuer)
Vehicles, plant and equipment	between 5 and 30 years
IT equipment and infrastructure	between 3 and 5 years
Infrastructure (roads and bridges)	35 years

42. Land is determined to have an infinite life and is not depreciated.

43. Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.
44. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Infrastructure Assets

45. Infrastructure assets are recognised in the Balance Sheet under Property, Plant and Equipment and include carriageways, structures (e.g. Bridges), footways and cycle tracks, street lighting and street furniture which together form a single integrated network.
46. Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.
47. Infrastructure assets are generally measured at depreciated historical cost.
48. Where impairment losses are identified they are accounted for by writing down the carrying amount of the asset to the recoverable amount.
49. Depreciation is charged on a straight-line basis on parts of the infrastructure network assets that are subject to deterioration or depletion.
50. When a component of the infrastructure network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals, if any, are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.
51. The written off value of disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Charges to Revenue for Property, Plant and Equipment

52. Services, support services and trading accounts are charged with a capital charge for all Property, Plant and Equipment used in the provision of services. The charge covers the annual provision for depreciation and revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
53. The County Council is not required to raise council tax to fund depreciation or revaluation/impairment losses. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing

requirement (referred to as Minimum Revenue Provision (MRP)). Depreciation and revaluation/impairment losses are therefore replaced by the MRP contribution in the County Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Disposals and Non-current Assets Held for Sale

54. When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. To be classified as an Asset Held for Sale the asset must meet the following criteria:
- Available for immediate sale in its present condition
 - The sale must be highly probable
 - Actively marketed at a reasonable sale price
 - The sale should be expected to be completed within 1 year
55. Assets Held for Sale are measured at the lower of their carrying value and fair value less costs to sell at initial reclassification. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Decreases in fair value less costs to sell are recognised in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.
56. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Property, Plant and Equipment and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision not to sell.
57. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.
58. When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.
59. Receipts from the disposal of assets in excess of £10,000 are categorised as capital receipts. Capital receipts are appropriated to the Capital Receipts Unapplied reserve from the County Fund Balance in the Movement in Reserves Statement.
60. The written off value of assets disposed of is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no charge against the Council Tax.

Investment Property

61. Investment properties are those that are used solely to earn rentals and/or for capital appreciation.
62. Investment properties are measured initially at cost and subsequently at fair value (at highest and best use), being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains and losses on disposal are posted to Other Operating Expenditure. The gains and losses are reversed out of the County Fund Balance to the Capital Adjustment Account (or Capital Receipts Unapplied for disposal receipts over £10,000) in the Movement in Reserves Statement so that they do not impact on Council Tax.

Revenue Expenditure Funded from Capital Under Statute

63. Capital expenditure on non-current assets not owned by the County Council and grants given by the County Council for capital purposes are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement. In accordance with statutory provisions this expenditure is transferred from the County Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement, such that there is no impact on council tax.

Private Finance Initiative (PFI) and similar contracts (service concession arrangements)

64. PFI type contracts involve a private sector entity (the operator) constructing or enhancing property used in the provision of a public service and operating and maintaining that property for a specified period of time. The operator is paid for its services over the period of the arrangement. Where the County Council controls or regulates the services provided by the operator and controls the residual interest in the property at the end of the term of the arrangement the contract meets the tests for accounting as a service concession arrangement.
65. Properties used in service concession arrangements are recognised as Property, Plant and Equipment of the County Council. The original recognition of the assets at fair value (based on the cost to purchase the assets) is matched by the recognition of liabilities for amounts due to the operators to pay for the assets and deferred income where the operator part funds the assets from income from third parties. Once recognised on the Balance Sheet these assets are revalued and depreciated in the same way as other Property, Plant and Equipment owned by the County Council.
66. The amounts payable to the service concession arrangement operators each year are analysed into five elements:
- The value of services received during the year – charged to the relevant directorate in the Comprehensive Income and Expenditure Statement

- Finance costs – an interest charge on the outstanding finance liability – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
 - Payments towards the finance liability – applied to write down the Balance Sheet liability towards the operator
 - Contingent rents – inflationary increases in the amounts to be paid for the property arising during the contract – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Note for the County Council's current service concession arrangement there is no inflation applied to the elements of the contract payments relating to the property build costs and therefore no contingent rents.
 - Lifecycle replacement costs – recognised as a capital prepayment in the Balance Sheet and transferred to Property, Plant and Equipment when capital works are undertaken.
67. Deferred income is released to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the service concession period.

Leases

68. Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.
69. Where a property lease covers both land and buildings, the land and buildings elements are considered separately for lease classification.
70. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.
71. Where the County Council is the lessee, property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – applied to writing down the liability, and a finance charge – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Once recognised on the Balance Sheet, assets recognised under finance leases are accounted for in the same way as other Property, Plant and Equipment, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

72. Rentals paid by the Council under operating leases are charged to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period except where the contractual payment terms are considered to be a more systematic and appropriate basis.
73. Where the County Council leases an asset to others under a finance lease, the asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the County Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal, matched by a long-term debtor in the Balance Sheet. Finance lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the long-term debtor (together with any premiums received), and finance income credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
74. The gain credited to the Comprehensive Income and Expenditure Statement on disposal is required under statute to be treated as a capital receipt. Where a premium has been received, this is posted out of the County Fund Balance to the Capital Receipts Unapplied reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future years, this is posted out of the County Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the long-term debtor and the deferred capital receipts are transferred to the Capital Receipts Unapplied reserve. The written-off carrying amount of the asset on disposal is appropriated to the Capital Adjustment Account from the County Fund Balance in the Movement in Reserves Statement so that there is no impact on Council Tax.
75. Where the County Council leases an asset to others under an operating lease, the asset is retained on the Balance Sheet. Rental income is credited to the relevant directorate in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease period (including any premiums received at the commencement of the lease).

Cash and Cash Equivalents

76. Cash is represented by cash in hand and bank deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The County Council treats the following as cash equivalents:
- Instant Access Call Accounts
 - Instant Access Short Term Funds
 - Deposits with one working day to maturity from date of deposit

Financial Assets

77. The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).
78. Financial assets are classified into three types:
- Amortised costs
 - Financial assets at fair value through Other Comprehensive Income
 - Financial assets at fair value through profit or loss
79. Financial Assets at Amortised costs are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Credits to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for external interest receivable are based on the carrying amount of the asset, multiplied by the effective interest rate for the instrument. For the majority of the County Council's investments, the effective interest rate is the same as the actual interest receivable in accordance with the loan agreement. Short duration receivables with no stated interest rates (e.g. debtors) are measured at original invoice amount.
80. The Council recognises expected credit losses on all of its financial assets held at amortised cost.
81. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis.
82. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.
83. The expected credit loss model also applies to lease receivables. Lifetime losses are recognised for trade receivables (debtors) held by the Council.
84. The County Council has made a number of loans to clients and other organisations at less than market interest rates or zero rate (referred to in the Code as soft loans). For the County Council there are no material differences between the fair value and the nominal value of such loans and no adjustments are made on initial recognition of these loans.
85. Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the carrying value of the asset is reduced through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

86. Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
87. Financial assets at fair value through Other Comprehensive Income are initially measured and carried in the Balance Sheet at fair value. Where the asset has fixed or determinable payments, credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate for the instrument. Where there are no fixed or determinable payments, income is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable.
88. Assets are maintained in the Balance Sheet at fair value. Values are based on:
- Instruments with quoted market prices – the market price
 - Other instruments with fixed and determinable payments – discounted cash flow analysis
89. The inputs to the measurement techniques are categorised in accordance with the following three levels:
- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets that the County Council can access at the measurement date
 - Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
 - Level 3 inputs – unobservable inputs for the asset
90. Changes in fair value are balanced by an entry in the Financial Instruments Revaluation Reserve and the gain/loss recognised in Other Comprehensive Income and Expenditure (except for impairment losses).
91. Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down through the use of an allowance account and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
92. Any gains and losses arising on the derecognition of assets are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses recognised in the Financial Instruments Revaluation Reserve.
93. Financial assets at fair value through profit or loss are initially measured and carried in the Balance Sheet at fair value. Movements in fair value are balanced by posting gains and losses to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement as they arise. Any residual gains and losses arising on derecognition are also credited/debited to the Comprehensive Income and

Expenditure Statement. The basis of fair value and the inputs to the measurement techniques is the same as for Financial assets at fair value through Other Comprehensive Income.

94. The carrying amounts of individual financial assets are separated into their current (short-term) and non-current (long-term) elements for presentation within the Balance Sheet.

Financial Liabilities

95. Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and are carried at their amortised cost.
96. Interest is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the liabilities, multiplied by the effective rate of interest for the instruments. This means that:
97. The amount included in the Balance Sheet is the outstanding principal repayable, plus accrued interest; and
98. Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.
99. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Debt Redemption

100. The County Council complies with legislation to charge a Minimum Revenue Provision (MRP) to the County Fund revenue account for the repayment of debt by making a straight-line charge of the outstanding pre-2008 capital expenditure as at 1 April 2017 calculated over a 50-year period and making provision for repayment of prudential borrowing in equal instalments over the estimated life of the asset for which the borrowing is undertaken. In addition, the provision for repayment of debt includes an amount equal to the amount that is taken to the Balance Sheet to reduce the liabilities in respect of PFI and similar contracts and for the prepayment of lifecycle costs relating to these contracts, and an amount equal to the amount that is taken to the Balance Sheet to reduce liabilities in respect of finance leases.

Provisions

101. Provisions are made where the County Council has a present obligation (legal or constructive) as a result of a past event that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and are adjusted to reflect the current best estimate against the appropriate directorate in the Comprehensive Income

and Expenditure Statement. When payments are eventually made they are charged directly to the provision.

Insurance

102. The County Council has a policy of self-insurance of claims across its main insurance categories. In accordance with the Code the insurance provision is set aside to cover insurance claims actually received and awaiting resolution that have been advised to the County Council and which it has been decided to be insured internally rather than externally. Subject to identified contingent liabilities there are no significant unfunded risks.

Contingent liabilities

103. The County Council discloses contingent liabilities in the notes to the accounts. Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed by one or more uncertain events occurring in the future and are not wholly under the County Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that there will be a transfer of economic benefits or where the obligation cannot be measured with sufficient reliability.
104. Financial guarantee contracts come under the definition of financial instruments and are initially recognised in the accounts at fair value. This only applies to guarantees entered into after 1 April 2006. Any entered into before that date continue to be recognised as contingent liabilities. If payment under the guarantee becomes probable the liability would be determined in accordance with the requirement for provisions.

Reserves

105. A reserve, whether capital or revenue, results from events that have allowed monies to be set aside, surpluses, or decisions causing anticipated expenditure to have been postponed or cancelled. These can be spent or earmarked at the discretion of the County Council. Earmarked revenue reserves can be used to set aside available monies for major anticipated capital schemes, for projects or service arrangements that the County Council may wish to carry out, business unit surpluses, service efficiency savings and contingent liabilities where a provision is not required.
106. Reserves are established and used for different reasons. These include:
107. Usable reserves - reserves that can be used at the County Council's discretion to fund either revenue or capital spend
108. Unusable reserves - reserves relating to unrealised gains, such as the Revaluation Reserve, that are not "cash backed" and cannot be used to fund future capital or revenue spending and reserves relating to differences between accounting policy and statutory requirements, such as the Capital Adjustment Account.
109. Earmarked reserves are created by appropriating amounts from the County Fund Balance in the Movement in Reserves Statement. When

expenditure to be financed from a reserve is incurred it is charged to the appropriate directorate. The reserve is then appropriated back into the County Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Group Accounts

110. The County Council is required to prepare group accounts where it has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality. For 2023/24 the County Council did not have any such interests that are considered material and therefore prepared these accounts only as a single entity rather than as group accounts.
111. The County Council participates in a number of joint operations (e.g. pooled budget arrangements with the health sector and the Oxfordshire Local Enterprise Partnership, OxLEP). The County Council accounts directly (in its single entity accounts) for its part of the assets, liabilities, income, expenditure and cash flows held within or arising from such an arrangement.
112. There are a number of circumstances where the County Council exercises limited influence and these are disclosed as related parties. Under these circumstances, transactions with these bodies are charged against the appropriate service in the Comprehensive Income and Expenditure Statement, and balances owed by them or to them are included in debtors and creditors.

Schools

113. Under the Code, local authority-maintained schools are considered to be separate entities with the balance of control lying with the Council. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for in the single entity accounts of the Council rather than requiring consolidation in the Group Accounts.
114. In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual school surpluses and deficits. These are held as usable earmarked reserves and are committed to be spent on schools.

Taxation

115. The County Council is exempt from income tax, corporation tax and from capital gains tax.
116. Value Added Tax is excluded from both revenue and capital in terms of both income and expenditure except where the County Council is not able to recover VAT on expenditure.
117. The County Council incurs landfill tax, which is charged on a tonnage basis to the County Council by its waste disposal contractors.
118. In addition, the County Council incurs stamp duty land tax on the acquisition of property freeholds and leaseholds, climate change levy on its energy bills and insurance premium tax on its insurance costs. Also, the County Council incurs employer's national insurance contributions based on a percentage of staff salaries.

119. Where the County Council incurs tax, this cost is charged to directorates in the Comprehensive Income and Expenditure Statement.

Rounding

120. In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast.

Critical judgements in applying accounting policies

122. In applying the accounting policies set out in Note 1, the County Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:
123. The County Council has made an assessment of the balance sheet treatment of schools' non-current assets in accordance with IAS 16 Property, Plant and Equipment and IAS 17 Leases. Where assets are owned by the Council and used by maintained schools, the economic benefits and service potential of the asset is considered to be within the control of the Council and therefore the assets are recognised on the Council's balance sheet. Where they are owned by trustees and used by maintained schools (in most cases Voluntary Aided and Voluntary Controlled schools) the Council has assessed that the trustees permit the assets to be used for voluntary education and have not reassigned rights to the assets to the school or governing body. Therefore, the assets are not recognised on the Council's balance sheet. In some cases school sites are part owned by the Council and part by trustees. These assets are treated in line with the above. In accordance with the Schools Standards and Framework Act 1998, ownership of playing fields rests with the Council and these are therefore recognised on the Council's balance sheet (subject to de-minimis valuations). The property valuers (an MRICS qualified County Council employee and Sanderson Weatherall) are informed of changes to the ownership of County Council assets by the County Council's Legal Services department, and any adjustments to the value of assets as a consequence are reflected in the County Council's balance sheet.
124. School land and buildings that have transferred to academy trusts under 125 year leases (or where the freehold has transferred) have been written out of the County Council's Balance Sheet based on an assessment in accordance with IAS 17 Leases and IAS 16 Property, Plant and Equipment. Newly constructed School land and buildings that are the subject of short-term lease/license agreements with academy trusts but are expected to transfer under 125 year leases have also been written out of the County Council's Balance Sheet based on this assessment.
125. An assessment under IFRIC 12 Service Concession Arrangements concluded that the County Council controls the residential care services provided under the agreement with Oxfordshire Care Partnership (OCP) and the residual value of all but one of the homes at the end of the agreement. This includes Chilterns Court Care Centre which came into operation during 2016/17. Except for the home where the residual value at the end of the contract rests with OCP, the accounting policies for PFI and similar contracts have been applied to the arrangement and the homes are recognised as Property, Plant and Equipment on the Balance Sheet, see note 22. A finance liability has been recognised on the Balance Sheet for the amounts due to be paid under the contract for the new homes built by OCP.
126. The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP). OxLEP became a company Limited by Guarantee (Not for Profit) in April 2015 (Company Registration Number

09519056). It is a business led organisation that works for all of its stakeholders in business, academia and local authorities. The Board has 19 members from across the private and public sector and is led by a private sector Chairman. It is supported by the Future Oxfordshire Partnership; a Joint Committee which brings together local authority partners who are also members of the OxLEP Board in a collective decision-making structure. The Leader of the County Council is a member of the OxLEP Board. The Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of jobs for our communities.

127. In accounting for OxLEP it has been assessed that the County Council is acting as the principal in accordance with IAS 18 Revenue and therefore transactions have been included in the County Council's accounts. OxLEP's expenditure is largely funded by government grants for which the County Council is the accountable body, and the Council remains exposed to risks such as the repayment of grants in the event of non-compliance.
128. Based on an assessment in accordance with IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, and taking into account materiality, the County Council has concluded that it does not have control, joint control or significant influence of any other entities. Therefore, the County Council has no subsidiaries, joint ventures or associates and there is no requirement to prepare group accounts for 2023/24.
129. The County Council has two pooled budgets with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB) and one with Oxford Health NHS Foundation Trust. These pooled budgets operate to deliver better outcomes for people supported by Adult Social Care. Based on an assessment in accordance with IFRS 11 Joint Arrangements and IFRS 15 Revenue (in relation to principal and agent transactions), the Pooled Budgets are considered to be joint operations. This means that only expenditure and income attributable to the County Council (and equal to the authority's contribution as set out in Note 8) is included in the Council's accounts.
130. The BOB ICB is the Accountable Body for Oxfordshire's allocation of the Better Care Fund and will be held to account by NHS England for the appropriate use of the resources locally. The Better Care Fund allocation received by BOB ICB forms part of its contribution to the Better Care Fund Pooled Budget and as such is reported within their accounts.
131. In accordance with IAS 32 Financial Instruments: Presentation, the County Council determines the short term/long term categorisation of borrowing by reference to the earliest date on which the lender can require payment. The right to increase the interest rate payable without limit, as in a 'Lender Option, Borrower Option' (LOBO) loan, is treated as a right to require repayment. Consequently, LOBOs are classified as short-term where option dates are due within 12 months of the balance sheet date.

Assumptions made about the future and other major sources of estimation uncertainty

132. The Statement of Accounts contains estimated figures that are based on assumptions made by the County Council about the future or that are otherwise

uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates made.

133. The items in the County Council's Balance Sheet at 31 March 2023 for which there is significant risk of material adjustment in the forthcoming year are as follows:

Property, Plant and Equipment

134. The County Council's Property, Plant and Equipment assets have been valued on one of the following three bases under IFRS: Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets. Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature. Fair Value (Market Value) – method used to value property assets held as investments, surplus or for sale. Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings. Reductions in the budget for repairs and maintenance spending brings into doubt the useful lives assigned to buildings. If the useful life of buildings is reduced, depreciation increases and the carrying amount of the building falls.

Pensions Liability

135. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase and mortality rates. The assumptions used are set out in the Retirement Benefits Note. The County Council uses a firm of actuaries, Hymans Robertson LLP, to provide expert advice about the assumptions to be applied. The discount rate used is based on corporate bond yields that reflect the duration of the employer's liabilities.
136. The effects on the net pension liability of changes in the discount rate or mortality rates are provided in the sensitivity analysis table in the Retirement Benefits Note.
137. The IAS 19 balance sheet is based on financial market values and future market expectation indicators as at 31 March 2024 to comply with the accounting standard.
138. When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.
139. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court, but this was denied at the end of June 2019. The outcome of the two tribunals have been deemed to provide evidence that a legal obligation has been created relating to age-discrimination

legislation, resulting in a liability. Furthermore, the 15 July 2019 written statement by the Chief Secretary to the Treasury that the McCloud and Sargeant judgements would apply to all public service pension schemes has also been deemed to provide evidence that there is a legal obligation. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections.

140. As details of the remedy for the schemes has not been drafted this creates a lot of uncertainty about the basis for valuing the impact of the Judgements on the pension schemes.

141. At present, it is clear that all members of the schemes who fell outside the transitional arrangements for both the LGPS and Fire-Fighters Pension Scheme at the relevant transition date will need to have their benefits brought up to the level of members in their scheme who were protected under those arrangements. However, it is unclear about what else will be in scope of the revised schemes. Areas of uncertainty include:

- Transfers within and between schemes and funds
- Impact on survivor benefits which may have started since the transition date
- Impact on pension sharing on divorce liabilities since the transition date

142. The actuary made assumptions regarding the impact arising from these areas of uncertainty in the valuation for 2022/23 and this allowance continues to be included within the valuation of the County Council's net liability.

143. There is also uncertainty regarding the impact of Guaranteed Minimum Pension (GMP) requirements. This arises where a pension scheme was 'contracted out' of additional state pension arrangements. If the contracted out pensions benefits are less than the pensioner would have received if the contracting out had not applied the pension scheme would be required to increase the pension paid to reach the GMP.

144. The actuary allowed for the impact of full GMP indexation in the calculation of 31 March 2022 funding valuation results. The Employer's valuation results position is used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation was included within valuation for 2022/23 and this allowance continues to be included within the valuation of the County Council's net liability.

145. There are three further court cases which could potentially impact on the valuation of the net pension liability:

- Goodwin
- Walker
- O'Brien

146. In all three cases, the actuary does not consider the judgements are likely to have a significant impact on the Council's pension obligation.

Divisions Affected – N/A

AUDIT AND GOVERNANCE COMMITTEE

13 March 2024

SCALE OF ELECTION EXPENSES

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the Scale of Election Expenses for the financial year 2024/25, as shown in the Annex to this report, for the election of County Councillors and any other poll associated with the County Council during the year.**

Executive summary

2. The County Returning Officer, Martin Reeves, is responsible for the conduct of the County Council elections and by-elections. The expenditure properly incurred by the Returning Officer is paid by the Council and, as such, a scale of expenses is set as a guide to such expenditure. The scale of expenses set out in the Annex would be applicable to any by-elections held within the 2024/25 financial year.
3. In accordance with the Council's practice, a review has been undertaken in consultation with the County, City and District Council election specialists in Oxfordshire who assist the Returning Officer in running the County Council's elections and by-elections. The Districts will use this scale when acting on behalf of the Returning Officer and are generally mindful of the County Council's scale of expenses when setting their own scales of expenses, including for those election events scheduled to be held in May 2024.
4. The scale is brought to the Committee in the interests of transparency for this area of election governance.
5. The purpose of the scale of expenses is to set out the amounts that can be charged for organising and running county council elections and by-elections. In practice, this means that these are the amounts that the City and District Councils will claim back from the County Council for running elections on its behalf.

Levels for 2024-25

6. The proposed figures for 2024/25 are shown in bold alongside the amount agreed for 2023/24.

The main changes

7. The Election Specialists were mindful of the proposed Pay Bands for Elections Staff, which are due to be introduced by the Department for Levelling Up, Housing and Communities (DLUHC) for national polls. Although there is no confirmed date for these to be introduced, the Election Specialists from the County, District and City Councils were mindful that the next Parliamentary General Election must be held within the time that this Scale of Fees will apply. It was therefore agreed that the new Scale of Fees should be set ensuring that the amounts fall in line with the proposed Pay Bands.
8. It was noted that generally, the levels of existing fees paid to election staff in Oxfordshire were lower than the proposed Pay Band figures, except for Count/Verification staff at Part IIB, Section 18 and Supervisors for the issue and receipt of postal ballots (Part IIB, Section 23), which have seen a slight reduction. Neither of these reductions were viewed as a possible cause for concern in recruiting staff to work on the count/verification process.
9. In the case of Disbursement Fees (Part IIB, Sections 10 and 11) for Presiding Officers and Poll Clerks, clarity has been added to the Scale and single fees provided, dependent on the number of elections being held on the same date. These figures again fall within the proposed Pay Bands.
10. Fees payable to Count Staff (Part IIB, Sections 15-18) have been clarified in line with the advice of Department for Levelling up, Housing & Communities. The overnight rates of pay will now be the same as for working on a Saturday. Sunday rates of pay have increased from time and a half pay, to double time.
11. As in previous years, a cost-of-living increase has been applied to some fees. For 2024/25 an approximate 5.7% lift has been applied to the flat-rate fees, based on the increase in the Oxford Living Wage.
12. The 5.7% up-lift has been applied to the Uncontested Election Fees and Disbursements (Part I, Sections 1-6) and the Fees for Contested Elections for Returning Officer and Deputy Returning Officers (Part II, Sections 7-9), in line with the NJC pay award hourly rates, as the national pay award was of fixed amount rather than a percentage base increase. These fees are not covered by the Pay Bands for poll staff.

13. All fees have been reviewed to ensure that the hourly rates reflect the Oxford Living Wage, which has been set at £12.49 per hour from April 2024.
14. The annual increases are shown as **bold** figures alongside last year's amounts. The Election Specialists at each City and District Council have confirmed that the proposed scale of fees is pragmatic for the running of elections on the County Council's behalf and is consistent with their recent experience. As such, the scale of expenses will be effective in supporting the Returning Officer in achieving a robust, resourced and cost-effective by-election should it be necessary.

Financial implications

15. Ordinarily in the year the County Council election is scheduled, it is a standalone election which means the County Council must meet the full cost. The revenue budget includes funding for an annual revenue contribution to the Council Election Reserve. The forecast balance in the reserve at the end of March 2024 is £0.6m. There is a further planned contribution of £0.2m in 2024/25 so the amount available for the 2025 County Council election will be £0.8m. It is anticipated that this would be sufficient to fund the cost of a county-only election but any additional costs which cannot be met from within revenue budgets would need to be met from General Balances.

Comments checked by: Kathy Wilcox, Head of Corporate Finance
kathy.wilcox@oxfordshire.gov.uk

Legal implications

16. Under the Representation of the People Act 1983 Section 36(4), the Council may set a scale of election expenses, and the annexed scheme accords with this. This responsibility rests with the Returning Officer who directly employs staff to run the County Council elections and this report is brought to the Committee to be noted for the purposes of transparency.

Comments checked by: Anita Bradley, Director of Law and Governance
anita.bradley@oxfordshire.gov.uk

Equality and inclusion implications

17. The setting of a scale of expenses does not in itself involve equality and inclusion implications. However, the levels of expenses included in the scheme have been formulated to ensure that robust arrangements are in place to secure participation by candidates, staff and the public.

Anita Bradley
Director of Law & Governance and Monitoring Officer

Annex: Scale of Elections Fees 2024/25

Contact officers: Simon Harper, Head of Governance
simon.harper@oxfordshire.gov.uk

Andrea Newman, Senior Democratic Services Officer
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March 2024

OXFORDSHIRE COUNTY COUNCIL

REPRESENTATION OF THE PEOPLE ACT 1983 (SECTION 36(4))

SCALE OF EXPENDITURE FOR ELECTIONS OF COUNTY COUNCILLORS

(Applicable to elections held during period 1 April 2024 to 31 March 2025)

Only the fees and disbursements specified below shall be chargeable. The fees payable to the Returning Officer or their duly appointed Deputy Returning Officer shall include all payments which they make from their fees to other persons by way of remuneration of services undertaken on their behalf.

In no case shall a charge exceed the sum actually and necessarily paid or payable by the Returning Officer. Subject to this the maximum charges are set out in the scale. These fees will apply to County Council elections.

PART I - UNCONTESTED ELECTION

A – FEES	April 2023 – March 2024	April 2024 – 2025 proposed Fees	Notes
1. To the Returning Officer, for conducting the election and generally performing the duties required by any enactments relating to the election, other than any duties for which separate fees are provided. For each Electoral Division, a fee of	1-member £52.00 2-member £104.00	£55.00 £110.00	5.7% - LG pay settlement 5.7% - LG pay settlement
2. To a Deputy Returning Officer appointed for the purposes of conducting and generally performing the duties assigned by the Returning Officer, other than duties for which separate fees	1-member £36.00	£38.00	5.7% - LG pay settlement

are provided. For each Electoral Division, a fee of	2-member £71.00	£75.00	5.7% - LG pay settlement
B – DISBURSMENTS	April 2023 – March 2024	April 2024 – 2025 proposed Fees	Notes
3. Preparation of poll cards and postal vote cards for supervising the preparation and issue of official poll and postal vote cards. For each Electoral Division, a fee of.....	1-member £20.50 2-member £42.00	£22.00 £45.00	5.7% - LG pay settlement but also complies with DLUHC banding
4. For the employment of persons for clerical and other assistance. For each Electoral Division	1-member £24.00 2-member £49.00	£26.00 £52.00	5.7% - LG pay settlement but also complies with DLUHC banding
5. Travelling expenses of the Returning Officer, Deputy Returning Officer and Assistants. Per mile.....	£0.45 (HMRC rate)	£0.45 (HMRC rate)	Complies with DLUHC banding
6. For printing and providing forms, notices and other documents required for the election, including the printing costs, computer charges and all associated costs of producing official poll and postal vote cards, together with advertising expenses, postage, telephone calls and miscellaneous expenses	Actual and necessary cost	No change	

PART II - CONTESTED ELECTION

A – FEES	April 2023 – March 2024	April 2024 – 2025 proposed Fees	Notes
7. To the Returning Officer, for conducting the election and generally performing the duties required by any enactments relating to the election, other than any duties for which separate fees are provided. For each Electoral Division, a fee of.....	1-member £108.50 2-member £215.00	£115.00 £227.00	5.7% - LG pay settlement 5.7% - LG pay settlement
8. To a Deputy Returning Officer appointed for the purposes of conducting and generally performing the duties assigned by the Returning Officer, other than duties for which separate fees are provided. For each Electoral Division, a fee of	1-member £102.00 2-member £205.00	£108.00 £217.00	5.7% - LG pay settlement 5.7% - LG pay settlement
(If a duly appointed Deputy Returning Officer also carries out the functions specified under Item 9 of this scale, they will be entitled to claim the fees payable under both item 8 and item 9 of the scale)			
9. To a Deputy Returning Officer appointed solely for the purposes of rules 44 to 52 of the Local Elections (Principal Areas) (England and Wales) Rules 2006 (or such legislation as may subsequently be enacted), for making arrangements for counting the votes and declaring the result of the poll. For each Electoral Division, a fee of.....	1-member £68.50 2-member £138.00	£72.00 £146.00	5.7% - LG pay settlement 5.7% - LG pay settlement
(A Deputy Returning Officer appointed under this item cannot claim the fee payable under item 14 of this scale)			
9A. For each Recount.....	£17.00	£18.00	5.7% - LG pay settlement

Page 86

B – DISBURSEMENTS		April 2023 – March 2024	April 2024 – 2025 proposed Fees	
10. Presiding Officer, a fee of..... or where a poll is combined with one other Poll with a district council OR parish council poll, a fee of..... or in the event of three or more polls being held at the same time, an additional a fee of.....		£233.00	£251.00	Complies with DLUHC banding
		£261.00	£279.00	
		£33.00	£307.00	
11. Poll Clerk, a fee of..... or where a poll is combined with one other Poll a district council OR parish council poll, a fee of..... or in the event of three or more polls being held at the same time, an additional a fee of.....		£182.00	£200.00	Complies with DLUHC banding
		£192.00	£214.00	
		£11.00	£228.00	
(Presiding Officers and Poll Clerks may not include any additional expenses i.e. electricity charges, other than travelling expenses specified in item 23 of this scale, without the prior written express agreement of the (Deputy) Returning Officer.)				
12. An additional poll clerk may be employed full-time or part-time at a polling station at the discretion of the Returning Officer or his duly appointed Deputy Returning Officer, and will be paid the fee payable under Item 11 of this scale, or an appropriate proportionate amount as applicable.				
13. Stand-by staff (Presiding Officers and Poll Clerks) who may be sent to a place of poll within the polling area in the event of emergency. This		£50.00 NEW FEE	£50.00 No change	

	fee will be replaced by a fee set out at points 10 or 11 should staff be sent to a place of poll.			
	14. For the provision of training for polling station staff, including a payment for staff undertaking the training. This may be used in respect of any payment made for the collection of the ballot box ahead of an election by staff. To be distributed by the Deputy Returning Officer at their discretion. A fee of:.....	£54.00 per presiding officer and poll clerk	£60.00 per presiding officer and poll clerk	Complies with DLUHC combined banding for training, preparation and delivery banding rates
Page 87	15. Counting Management Team: A fee of			
	(a) for the first hour.....	£24.00	£25.00	Complies with DLUHC banding
	(b) for each half hour thereafter or part thereof.....	£12.00	£12.50	
	In respect of overnight working (between the hours of 9.00pm-8.00am) and Saturday working			Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rates
	(c) for the first hour.....	£26.00	£37.50	
	(d) for each half hour thereafter or part thereof.....	£13.00	£18.75	
	Weekend working: will be paid at time and a half the above rates Sunday working (e) for the first hour..... (f) for each half hour thereafter or part thereof.....		£50.00 £25.00	Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rates

<p>16. Counting/Verification Supervisor: A fee of</p> <p>(a) for the first hour..... £20.00</p> <p>(b) for each half hour thereafter or part thereof..... £10.00</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) and Saturday working</p> <p>(c) for the first hour..... £22.00</p> <p>(d) for each half hour thereafter or part thereof..... £11.00</p> <p>Weekend working: will be paid at time and a half the above rates</p> <p>Sunday working</p> <p>(e) for the first hour..... £39.00</p> <p>(f) for each half hour thereafter or part thereof..... £19.50</p>			<p>Complies with DLUHC banding</p> <p>Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rates</p> <p>Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rate</p>
<p>17. Counting/Verification Assistant Supervisor: A fee of</p> <p>(a) for the first hour..... £18.00</p> <p>(b) for each half hour thereafter or part thereof..... £9.00</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) and Saturday working</p>			<p>Complies with DLUHC banding</p> <p>Complies with DLUHC banding and in line with</p>

<p>(c) for the first hour.....</p> <p>(d) for each half hour thereafter or part thereof.....</p> <p>Weekend working: will be paid at time and a half the above rates</p> <p>Sunday working</p> <p>(e) for the first hour.....</p> <p>(f) for each half hour thereafter or part thereof.....</p>	<p>£20.00</p> <p>£10.00</p>	<p>£26.25</p> <p>£13.12</p> <p>£35.00</p> <p>£17.50</p>	<p>advice from DLUHC with regards to weekend working rate</p> <p>Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rate</p>
<p>18. Counting/Verification Assistant: A fee of</p> <p>(a) for the first hour.....</p> <p>(b) for each half hour thereafter or part thereof.....</p> <p>In respect of overnight working (between the hours of 9.00pm-8.00am) and Saturday working</p> <p>(c) for the first hour.....</p> <p>(d) for each half hour thereafter or part thereof.....</p> <p>Weekend working: will be paid at time and a half the above rates</p> <p>Sunday working</p> <p>(e) for the first hour.....</p> <p>(f) for each half hour thereafter or part thereof.....</p>	<p>£16.00</p> <p>£8.00</p> <p>£18.00</p> <p>£9.00</p>	<p>£15.00</p> <p>£7.50</p> <p>£22.50</p> <p>£11.25</p> <p>£30.00</p> <p>£15.00</p>	<p>Complies with DLUHC banding</p> <p>Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rate</p> <p>Complies with DLUHC banding and in line with advice from DLUHC with regards to weekend working rate</p>

19.	For the employment of persons for clerical and all other assistance other than where separate fees are provided. (County Elections ONLY) For each Electoral Division.....	1-member £139.00 2-member £267.00	£147.00 £282.00	5.7% - LG pay settlement 5.7% - LG pay settlement
20.	Preparation and issue of poll cards and postal vote cards, for supervising the preparation and issue of official poll and postal vote cards. (County Elections ONLY) For each Electoral Division, a fee of	1-member £20.50 2-member £42.00	£22.00 £44.00	5.7% - LG pay settlement 5.7% - LG pay settlement
21.	To an officer designated by the Returning Officer or his duly appointed Deputy, for inspection and supervision of polling stations, a fee of..... OR where a poll is combined with one other Poll a fee of..... OR in the event of three or more polls being held at the same time, <u>an additional</u> a fee of.....	£278.00 £34.00	£300.00 £330.00 £360.00	Complies with DLUHC banding Complies with DLUHC banding Complies with DLUHC banding
22.	For preparation of ballot boxes. For each polling station, a fee of.....	£10.50	£11.00	Complies with DLUHC banding
23.	Supervisor for the issue and receipt of postal ballot papers. A fee of:			

	(a) for the first hour..... (b) for each half hour thereafter or part thereof.....	£20.00 £10.00	£17.50 £8.75	Complies with DLUHC banding
24.	For the employment of persons in connection with the issue and receipt of postal ballot papers, the total sum of which to be distributed by the Deputy Returning Officer at their discretion. A fee of.....	£0.85 per postal vote	£0.90 per postal vote	5.7% - LG pay settlement
25.	Hire of rooms in connection with the issue and receipt of postal ballot papers	Actual and necessary costs	No change	
26.	For travelling expenses of the Returning Officer, Deputy Returning Officer, Polling Staff and Count Staff, and for posting Notices of Election and Notices of Poll. Per mile.....	£0.45 (HMRC at that time)	£0.45 (HMRC rate)	
27.	Hire of rooms for the preparation of ballot boxes	Actual and necessary cost	No change	

28.	For preparing a room for the purpose of a poll, and of a count, and cleaning and reinstating the room (per station)			
	(a) in the case of a school maintained by a local authority, which may be used free of hire charge, the caretaker's fee is to be paid in accordance with the allowances in force in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service; or any local agreement;	Actual and necessary cost	No change	
	and			
	(b) in any other building.....	Actual and necessary cost	No change	
29.	Heating and lighting (per polling station) ...	Actual and necessary cost	No change	
30.	Conveyance of ballot boxes and voting screens.....	Actual and necessary cost	No change	
31.	Compensation payable in consequence of the cancellation of functions in order to make suitable premises available for use as polling stations or places of count.....	Actual and necessary cost	No change	
32.	For provision of ballot boxes and voting screens, for printing notices, ballot papers and other forms and documents required, including the printing costs, computer charges and all associated costs of	Actual and necessary cost	No change	

producing the official poll and postal vote cards, and for stationery, advertising, postage, telephone calls, bank charges and miscellaneous expenses.....			
--	--	--	--

NOTE: Where there is any combination of poll with District or Parish Councillors, wherever appropriate and as far as practicable, the costs are to be shared on an equal basis between the relevant Authorities, unless a particular expense can be allocated to a specific poll.

Returning Officer
February 2024

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Audit and Governance Committee

13 MARCH 2024

Delivering the Future Together: update on governance arrangements for the council's transformation programme

Report by Executive Director People, transformation, and performance

RECOMMENDATION

1. The Audit and Governance Committee is RECOMMENDED to:

Note the developments in the Delivering the Future Together programme and the governance arrangements for transformation activity.

Executive Summary

2. In 2021, the Council launched its internal programme for change – Delivering the Future Together (DTFT) – to help the organisation be the best it can for its people and manage organisational change.
3. Building on the success of the programme, we have launched a new phase to deliver transformational change and achieve our ambition to be an employer, partner and place shaper of choice.
4. To ensure appropriate oversight of this transformation activity, new governance arrangements have been established. These include a strategic transformation board, a transformation delivery board, and individual boards for each transformation programme.
5. The Leader is the portfolio holder for the Delivering the Future Together, and the chief executive is the sponsor.

Background and context

6. Oxfordshire County Council's ambition is to work in partnership to make the county greener, fairer and healthier. To realise this ambition and deliver the best outcomes for our residents, employees and partners, we need to make some fundamental changes in how we operate, including embracing new

technologies, operating from fewer buildings, collaborating more closely with partners, and leverage commercial opportunities where appropriate.

7. A high-level assessment of change delivery capability in the organisation was conducted in August 2023.
8. A programme of work to increase change capability and capacity within the organisation is underway. This has included establishing a central programme management office (PMO) to deliver transformation programmes and a change academy to train employees as project and programme managers.
9. New internal governance arrangements have been established to ensure that transformation programmes have appropriate oversight and deliver a clear return on investment - both financial and non-financial. These are detailed below.

Governance arrangements

10. The Strategic Transformation Board (Design Authority) is responsible for setting the strategy for transformation at Oxfordshire County Council, providing cross-council oversight of all transformation activity, and approving the inclusion and resourcing of projects within the transformation programme. The board is chaired by the Chief Executive Officer and comprises the Strategic Leadership Team. It meets every month.
11. The Transformation Delivery Board reports to the Strategic Transformation Board and is responsible for ensuring the successful delivery of the portfolio of transformation programmes. The board oversees transformation programmes throughout their lifecycle, monitoring and managing the totality of change and ensuring that benefits are being realised to deliver return on investment. The board members are the Council Management Team; the board meets every month.
12. Each transformation programme will have its own programme board with an agreed terms of reference to oversee and monitor delivery, budget and risks. In addition, three portfolio boards have been established – employer, partner and place-shaper of choice. Transformation programmes are assigned to a portfolio to provide additional assurance and enable the council to realise cross-cutting benefits.
13. Items in transformation that meet the criteria for key decisions, such as procurement or business case approval, will follow the normal key decision process and be published on the forward plan.

Implementation of new governance

- 14. The Programme Management Office was stood up in October 2023.
- 15. The Strategic Transformation Board (Design Authority) meets monthly. The inaugural meeting was on 25 October 2023.
- 16. The Transformation Delivery Board meets monthly. The inaugural meeting was on 23 November 2023.
- 17. Portfolio Boards began meeting in January 2024.
- 18. Programme boards are being stood up as appropriate.

Equality and Inclusion Implications

- 19 Individual transformation programmes complete an equalities impact assessment at the start of the programme.

Sustainability Implications

- 20 Individual transformation programmes complete a climate impact assessment at the start of the programme.

Financial Implications

- 21 The Council has a Transformation Reserve that is used to support the costs of implementation of the council's transformation programme, Delivering the Future Together. There is a requirement for business cases to set out the benefits to be achieved through the transformation project or programme including planned returns on the investment. The benefits realisation is tracked and will be reported to the Delivery Board. As part of the budget monitoring processes, planned savings are also monitored and reported at least every 2 months to the Council Management Team and Cabinet.
Comments checked by: Ian Dyson, Director of Finance Service
ian.dyson@oxfordshire.gov.uk

Legal Implications

- 19 There are no legal implications arising from this report. As stated elsewhere in the report, the governance implications of the changes are internal and any items that meet the criteria for key decisions, such as procurement or

business case approval, will follow the normal key decision process and be published on the forward plan. Comments checked by: Paul Grant, Head of Legal Paul.Grant@oxfordshire.gov.uk

Report by:
Transformation

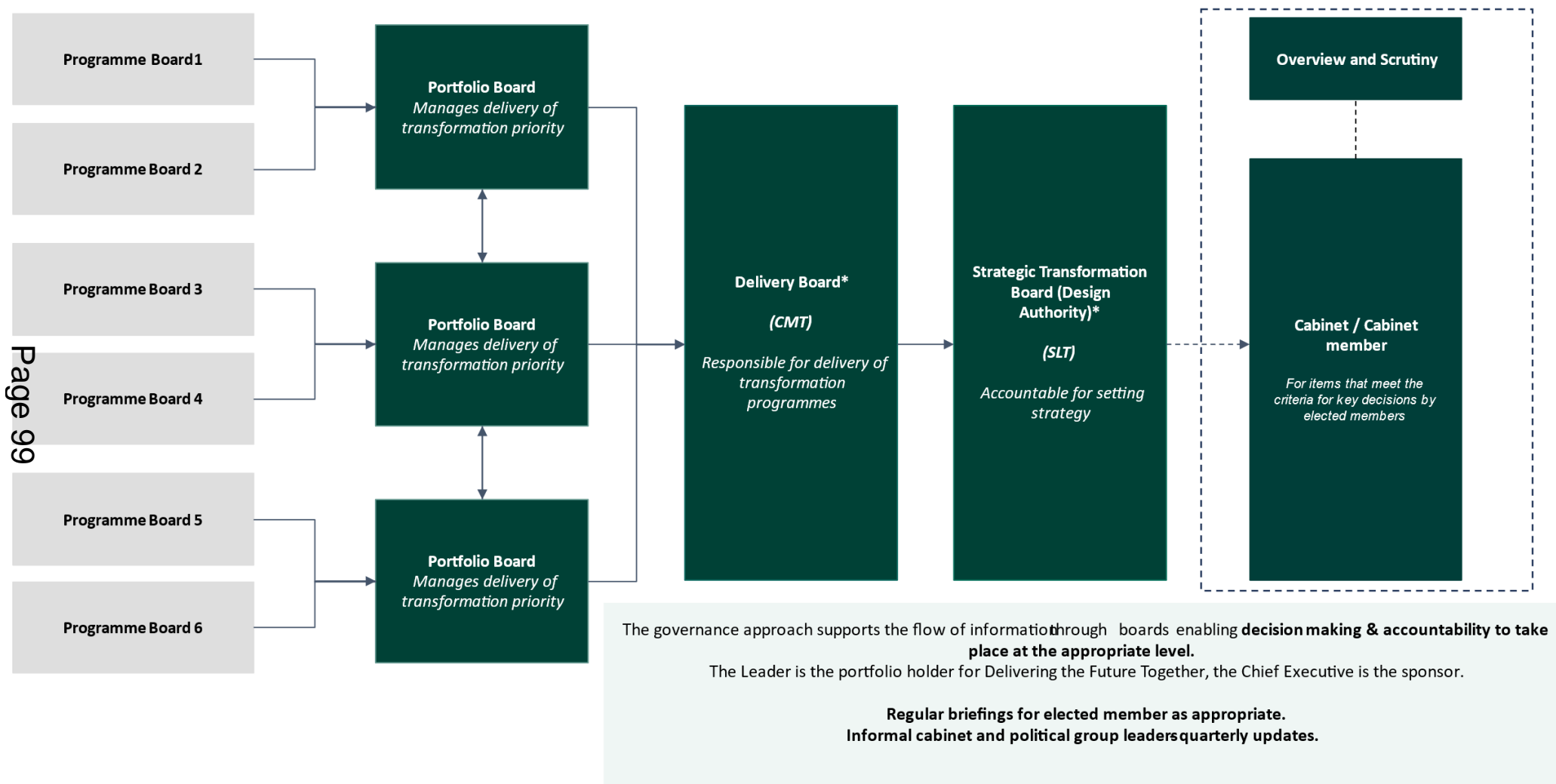
Stephen Chandler Executive Director People and

Contact Officer:

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February 2024

Transformation governance



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Divisions Affected – N/A

AUDIT AND GOVERNANCE COMMITTEE

13 March 2024

WHISTLEBLOWING POLICY

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATIONS

- 1. To consider the revised Whistleblowing Policy at Annex 1 to this report and provide any comments to the Director of Law & Governance and Monitoring Officer.**
- 2. To recommend to Council that the Terms of Reference of the Committee be amended to include “ To monitor whistleblowing arrangements and to approve the Whistleblowing Policy”**

Background

1. The existing Whistleblowing Policy was presented to the Audit and Governance Committee on 17 November 2021 and the Council has operated under that policy since that Policy was approved. The existing policy is attached at Annex 2.
2. The committee receives an annual report on the number of whistleblowing incidents each year. Summary details are provided for each incident but without any information that would allow individuals to be identified. The last report was presented to the committee on 29 November 2023.
3. The categories of complaint in the existing policy (paragraph 4 (ii)) are very wide and are outside the legislation and legal definition of a whistleblowing incident. Council employees have tried to use the whistleblowing procedure in place of Human Resources policies such as the grievance procedure. This has in some cases led to delays in dealing with issues and disappointment from employees.

New Whistleblowing Policy

4. The Monitoring Officer has reviewed the existing policy based on their experience of operating the current arrangements. They have consulted with the Council Management Team along with the Chief Internal Auditor, Counter Fraud Manager and the Recognised Trade Union – Unison in developing the new policy. All consultation response that have been received have been considered by the Monitoring Officer and incorporated wherever possible.
5. The new policy provides greater clarity around the six categories set out in the Employment Rights Act 1996 that make a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998.
6. Whilst the Council is very keen to address all complaints, it needs to follow the correct process, so the new policy has been drafted more tightly to keep to the legal definition of a whistleblowing incident.
7. The new policy recognises the importance of keeping an employee updated and an Investigating Officer reporting back to the Monitoring Officer on progress and if a complaint raised through the whistleblowing route is investigated through another council policy, once that process has been concluded. It sets out how a complaint that does not fall within the strict definition of a whistleblowing incident may be investigated.
8. References to the previous legal test of good faith have been removed as the complainant needs to believe the allegations are true only.
9. Following consultation with relevant officers, a reference has been included to schools being subject to their own whistleblowing policy. The policy for schools will be based on the Council policy and will be updated following its adoption.
10. The Monitoring Officer intends to raise awareness of the new Whistleblowing Policy across the Council and will ensure that training is available for all Council employees.

Corporate policies and priorities

11. The Whistleblowing Policy supports the Council's organisational values, most notably 'equality and integrity in all that we do' and 'taking responsibility'.

Financial implications

12. No direct financial implications

Risk management implications

13. Without clear arrangements for employees to raise whistleblowing concerns safely, it is difficult for an organisation effectively to manage the risks it faces.

Legal implications

14. Under the scheme of delegation in the Constitution, the Monitoring Officer has authority to agree and adopt the governance policies for the Council, including the Whistleblowing Policy, following consultation with the Leader, Deputy Leader and Director of Finance now the Executive Director of Resources.
15. The Public Interest Disclosure Act 1998 sets out a framework for a worker to make disclosure (whistleblowing) about categories of wrong-doing, if there is a public interest in doing so. A person raising such a concern has a right not to suffer any detriment. The Council's Whistleblowing Policy is consistent with the expected framework, and other best practice guidance, and sets out the expected protections.

Equality and inclusion implications

16. The Whistleblowing Policy is intended to give confidence to all who wish to raise an allegation of wrongdoing and not to disadvantage any individual that has one or more protected characteristic.

Anita Bradley

Director of Law & Governance and Monitoring Officer

Annexes: Annex 1 – New Whistleblowing Policy
 Annex 2 – Current Whistleblowing Policy

Contact Officer: Simon Harper, Head of Governance
 Email simon.harper@oxfordshire.gov.uk

March 2024

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Whistleblowing Policy

Contents

A. ABOUT THIS POLICY	1
B. SCHOOLS	2
C. AIM OF POLICY.....	2
D. WHAT IS WHISTLEBLOWING.....	2
E. WHO CAN RAISE A WHISTLEBLOWING CONCERN.....	3
F. CONFIDENTIALITY.....	4
G. PROTECTION AND SUPPORT FOR WHISTLEBLOWERS	4
H. ROLE OF TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS.....	5
I. HOW TO RAISE A CONCERN (PROCEDURE)	5
a) STEP 1.....	5
b) STEP 2.....	5
c) STEP 3.....	6
d) STEP 4.....	6
J. HOW WILL THE COUNCIL RESPOND?	6
K. IF YOU ARE NOT SATISFIED.....	8
L. EXTERNAL DISCLOSURES	8
M. REVIEW OF THIS POLICY.....	8
ANNEX 1 - CONTACT DETAILS (OXFORDSHIRE COUNTY COUNCIL)	10
ANNEX 2 – EXTERNAL ORGANISATIONS – CONTACT DETAILS.....	11
ANNEX 3 – WHISTLEBLOWING & PROTECTIONS	12
ANNEX 4 - WHISTLEBLOWING PROCEDURE – FLOW CHART	13
ANNEX 5 - WHISTLEBLOWING FORM	15

A. ABOUT THIS POLICY

1. Oxfordshire Council is committed to conducting its business with honesty and integrity and expects all staff including anyone contracted to work or volunteer for the council, to maintain high standards. Any suspected wrongdoing should be reported as soon as possible.
2. This policy covers all employees, past employees, councillors, consultants, contractors, volunteers, interns, casual workers and agency workers and for the purpose of this policy known as a 'Worker'

3. This policy does not form part of any employee's contract of employment and we may amend it at any time in consultation with Unison and any other recognised trade unions.

B. SCHOOLS

4. All schools and academy trusts are required to have appropriate procedures in place for handling whistleblowing and for ensuring school staff know who they can contact if they wish to raise a concern.
5. There is a specific whistleblowing policy for maintained schools in Oxfordshire which should be followed for any whistleblowing matters raised by employees of the school, supply staff and agency workers.
6. In a multi academy trust (MAT), the procedure is likely to be trust-wide and approved and reviewed at trust board level.

C. AIM OF POLICY

7. This policy aims to
 - a) encourage workers to report any suspected wrongdoing as soon as possible, in the knowledge that their concern will be taken seriously and investigated as appropriate, and that their confidentiality will be respected as far as possible; and
 - b) provide guidance on how to raise those concerns; and
 - c) reassure anyone raising a genuine concern, made in the public interest, that this can be done without fear of reprisals, even if they turn out to be mistaken.

D. WHAT IS WHISTLEBLOWING

8. Whistleblowing is the reporting by a worker of suspected wrongdoing or dangers in relation to our activities. This includes bribery, facilitation of tax evasion, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal or professional obligations.
9. We believe that anyone who raises any type of concern about work that they believe to be true, should be treated with respect, and should not suffer as a result. Certain types of wrongdoing or dangers that are reported are regarded as being in the public interest. These are specified within The Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 and concern the following matters:
 - i. Any criminal offence (such as fraud or theft)
 - ii. Any breach of a legal obligation or duty
 - iii. A miscarriage of justice
 - iv. A danger to the health and safety of any individual
 - v. Dangers to the environment
 - vi. Deliberate concealment of information tending to show any of the above five matters
10. A worker who reasonably believes that one of the above concerns is either happening now,

took place in the past, or is likely to happen in the future is making a 'qualifying disclosure' (and discloses information regarding the matter to the appropriate person or body), will be 'protected' from detrimental treatment or victimisation from their employer. These are called "protected disclosures", further information on the protection for workers can be found in section G of this policy.

As a whistle-blower you're protected by law - you shouldn't be treated unfairly or lose your job because you 'blow the whistle'

11. In some cases, a disclosure may be investigated under a separate policy of the Council where appropriate, for example, an employment issue or poor behaviour of employees. In these cases, the Council's Anti Bullying Harassment and Discrimination Policy (internal link) and/or Grievance policy (internal link) and procedure and/or Dignity at Work Policy (internal link) will be used as the internal mechanism for dealing with the concern in the first instance.
12. There are other concerns, that may not amount to a 'qualifying disclosure', or fall into the Council's employment policies, but may however meet the public interest criteria, and by way of example only may be 'value for money' concerns or poor contract management. While these may not have the same legal protection, the Council takes these seriously and so the Council's complaint procedure [Complaints and comments about Oxfordshire County Council | Oxfordshire County Council](#) should be used for the Council to consider and investigate with a view to resolving those concerns.
13. If another Council procedure or policy is used to investigate a complaint that comes through the Whistleblowing route but when assessed does not amount to a whistleblow, the investigating officer will be requested to confirm to the Monitoring Officer when the alternative process has been completed. The investigating officer should report the fact that the process has been completed and wherever possible the outcome to the complainant.

E. WHO CAN RAISE A WHISTLEBLOWING CONCERN

14. The policy applies to all:
 - i. employees of the council,
 - ii. former employees of the council (where any whistleblow has been raised and accepted during the time of their employment with the council)
 - iii. agency workers,
 - iv. temporary workers,
 - v. students and volunteers working for Oxfordshire County Council.
 - vi. Staff working for other contractors working for the council (where the contractor has agreed to adopt the council's policy),
 - vii. elected and co-opted members of Oxfordshire County Council.
15. Although the council's elected members are not workers within the definition of Employment Rights Act 1996, this policy nevertheless also applies to the Council's elected and co-opted members.
16. Members of the public can raise concerns through the Council's complaints processes or via the Local Government and Social Care Ombudsman or the Council's External Auditors.

17. If a member of the public or a member of staff contacts a County Councillor with a whistleblowing concern, then the Councillor should contact the Monitoring Officer in the first instance.

F. CONFIDENTIALITY

18. We hope that workers will feel able to voice whistleblowing concerns openly under this policy. However, if you want to raise your concern confidentially, we will make every effort to keep your identity secret. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.
19. We do not encourage workers to make disclosures anonymously, although we will make every effort to investigate anonymous disclosures. You should be aware that proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also more difficult to establish whether any allegations are credible.
20. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the Monitoring Officer or one of the other contact points listed in Annex 1 and, we will discuss this as soon as possible with you, and aim to devise strategies for supporting you to ensure that you suffer no detriment or harassment as a result.
21. There is a continuing duty to the Council not to disclose confidential information. This does not prevent you from seeking independent advice at any stage nor from discussing the issue with the charity Protect (previously called Public Concern at Work) on 020 3117 2520 and www.protect-advice.org.uk, in accordance with the provisions of the Public Interest Disclosure Act 1998.

G. PROTECTION AND SUPPORT FOR WHISTLEBLOWERS

22. Speaking up about any concern you have at work is vitally important. In fact, it's essential because it will help us to keep improving our services for all residents and the working environment for our employees.
23. You may feel worried about raising a concern, and we understand this. But please don't be put off. We will listen to you and investigate what you say.
24. This policy encourages concerns to be raised in a constructive and positive manner and provides an escalation process where concerns can be raised if they remain outstanding.
25. If you raise a genuine concern (i.e. held in reasonable belief) under this policy, you will not be at risk of losing your job or suffering any form of reprisal as a result. We will not tolerate the harassment or victimisation of anyone raising a concern. Nor will we tolerate any attempt to bully you into not raising any such concern; in fact, any such attempt would warrant you raising a concern in itself. Any such behaviour, to deter a report, is a breach of our Delivering The Future Together (DTFT) values and probably the Council's Anti-bullying, harassment and discrimination policy, and if upheld following investigation, could result in disciplinary action for the person(s) involved.
26. Provided you are acting honestly, it does not matter if you are mistaken or if there is an innocent explanation for your concerns. We want to hear from you. Of course, we do not

extend this assurance to someone who may maliciously raise a matter they know is untrue. This would be an abuse of this policy and may result in disciplinary action.

27. The Public Interest Disclosure Act 1998 protects employees from reprisal, victimisation or harassment at work if they raise a concern that they reasonably believe is in the public interest. If any persons raising a concern believe themselves to be suffering a detriment for having raised a concern, this should be made known to the Monitoring Officer (contact details below).

H. ROLE OF TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS

28. Employees can raise concerns directly themselves or can ask their trade union or professional association to do so on their behalf. Whistleblowers can bring a trade union or professional association representative or friend with them to any meetings.

I. HOW TO RAISE A CONCERN (PROCEDURE)

29. This section of the policy tells you how to and to whom you can raise a whistleblowing complaint. The earlier you express your concern, the easier it is to take action. You will need to provide the following information:

- i. the nature of your concern and why you believe it to be true.
- ii. the background and history of the concern (giving relevant dates and information).

30. If your concerns are raised verbally, then a written record will be taken.

a) STEP 1

31. We hope that in many cases you will be able to raise any concerns with your manager.

b) STEP 2

32. However, where you prefer not to raise it with your manager for any reason, then you can raise your concern in writing at whistleblowing@oxfordshire.gov.uk or verbally via the council's Whistleblowing hotline: **01865 328573**.

33. This is a confidential email address and telephone number, attended by the service reporting directly to the Council's Chief Internal Auditor.

34. To raise your concern in writing, we encourage you to use the 'Formal Whistleblow Concern Form' [Whistleblowing and serious concerns | Oxfordshire County Council](#). This Form and any accompanying documents should be sent via email to the whistleblowing generic email address whistleblowing@Oxfordshire.gov.uk to ensure that actions are tracked and escalated by the Monitoring Officer.

35. You can also raise your concern in writing (using the Form [\(link\)](#)) by posting this to the Chief Internal Auditor (Whistleblowing), Oxfordshire County Council, New Road, Oxford, OX1 1ND.

36. Once you have raised a concern, we will carry out an initial assessment to determine the scope of any investigation and whether it falls within the Whistleblowing process. We will

inform you of the outcome of our assessment. You may be required to attend additional meetings to provide further information.

37. In some cases, we may appoint an investigator who may be internal or external to the council or a team of investigators including employees with relevant experience of investigations or specialist knowledge of the subject matter. The investigator(s) may make recommendations for change to enable us to minimise the risk of future wrongdoing.

38. We will:

- i. treat your concern confidentially unless otherwise agreed.
- ii. ensure you receive timely support to progress your concern.
- iii. escalate to HR any indications that you are being subjected to detriment for raising your concern.
- iv. remind the organisation of the need to give you timely feedback on how your concern is being dealt with.
- v. ensure you have access to personal support since raising your concern may be stressful.

c) STEP 3

39. If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact the Chief Executive at Oxfordshire County Council, the internal audit team, or anyone listed in Annex 1 (details below).

d) STEP 4

40. You can raise concerns formally with external bodies other than your employer which are listed here <https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies> - and also those listed in Annex 2.

41. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

42. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. We strongly encourage you to seek advice from the Monitoring Officer before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

J. HOW WILL THE COUNCIL RESPOND?

43. The council is committed to giving concerns raised through the policy thorough consideration whilst responding as quickly as possible. We will also be open and transparent with people raising concerns and those subject to whistleblowing concern, explaining when information

can and cannot be shared.

a) INITIAL ASSESSMENT

- i. The Monitoring Officer or an Officer acting on their behalf will acknowledge receipt of the concern within **3 working days**; and
- ii. Within **5 working days** an appropriate lead identified by the Monitoring Officer will undertake an initial desktop (paper based) assessment and determine if the concern amounts to whistleblowing or not, and if it requires further information or investigation.
- iii. It may be necessary, at this stage to conduct initial enquiries, which will be objective, and evidence based, and may involve contacting you for further evidence/information.
- iv. Where we can, we will write to you within **12 working days** of a concern being raised with the outcome of the initial assessment:
 - a) indicating if the complaint does amount to a Whistleblowing complaint;
 - b) indicating if the complaint does not amount to a Whistleblowing complaint, what other council policies might be appropriate instead.
 - c) indicating how the council proposes to deal with the matter i.e. telling you whether further investigations will take place and if not, why not.
 - d) supplying you with information on any support mechanisms as appropriate
 - e) confirming how the matter can be taken further if you do not agree with the council's response.

If more time is required to undertake the initial assessment we will confirm this to you.

b) FURTHER ASSESSMENT

44. Where after initial assessment has been made, your concerns amount to whistleblowing then the matters raised may:

- i. require further investigation by someone suitably independent (usually from a different part of the organisation or external to the council);
- ii. be referred to the police;
- iii. be referred to the external auditor;
- iv. be referred to existing child protection/abuse procedures.

45. If following the INITIAL ASSESSMENT it is necessary to undertake a further investigation, then the council will advise you as to how long this is likely to take with an indication as to when you might receive how the council intends to provide a FINAL response to your complaint.

46. While the council cannot guarantee that the outcome will be as you wish, it will handle the matter fairly and in accordance with this policy. You need to be assured that your disclosure has been properly addressed. Unless there are any legal reasons why this cannot be done, you will be kept informed of the progress and outcome of any investigation, maintaining security and confidentiality for all parties as far as possible. You will not however be provided

with any report or other correspondence created by any investigation and dealing with your disclosure.

47. In respect of disclosures of serious misconduct or wrongdoing relating to safeguarding children or adults at risk and or special educational needs the Council has a legal obligation to investigate and will do so irrespective of the status of any school or relevant organisation.

K. IF YOU ARE NOT SATISFIED

48. The council will inform you in writing of the outcome of its assessment and/or any investigation or any action taken, subject to the constraints of confidentiality and the law.

49. If you do not believe your concern has been addressed adequately, you can raise it with any person listed in Annex 1 or an independent body such as:

- i. the council's external auditor
- ii. Trade Union
- iii. Citizens' Advice Bureau
- iv. a relevant professional body or regulatory organisation
- v. a relevant voluntary organisation
- vi. Police
- vii. Local Government and Social Care Ombudsman
- viii. Equalities and Human Rights Commission
- ix. NSPCC should the concern relate to a child.

L. EXTERNAL DISCLOSURES

50. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

51. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

52. Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a customer, client, supplier or service provider. If this is the case, we encourage you to report such concerns internally first, in line with this policy. You should contact the Whistleblowing Officer or Monitoring Officer for guidance.

M. REVIEW OF THIS POLICY

53. The Council's Monitoring Officer has overall responsibility for this Policy, how it is used and how the Policy is working. It will be reviewed annually, with the Monitoring Officer taking an annual report to the Audit & Governance Committee to assess the effectiveness of the Policy and the

arrangements and training underpinning it. The Monitoring Officer will also make an annual report on the type of cases dealt with under this Policy.

Responsible Officer: Monitoring Officer

Published:

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ANNEX 1 - CONTACT DETAILS (OXFORDSHIRE COUNTY COUNCIL)

Whistleblowing Officer

Declan Brolly

Confidential email: whistleblowing@oxfordshire.gov.uk

List of senior managers:

Executive Director of Resources and Section 151 Officer	Lorna.Baxter@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Chief Internal Auditor	Sarah.Cox@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND WB Tel no: 01865 328573
Head of Paid Service/Chief Executive	Tel no: 07354 845921 Martin.Reeves@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Director of Law & Governance and Monitoring Officer	Anita.Bradley@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Head of Legal and Deputy Monitoring Officer	Paul.Grant@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Directors	
Executive Director – People, Transformation and Performance	Stephen.chandler@oxfordshire.gov.uk
Corporate Director of Adult Social Care	Karen.Fuller@oxfordshire.gov.uk
Corporate Director for Children's Services	Lisa.lyons@oxfordshire.gov.uk
Corporate Director of Public Health and Community Safety	Ansaf.Azhar@oxfordshire.gov.uk
Corporate Director for Environment and Place	Bill.Cotton@Oxfordshire.gov.uk
Chief Fire Officer and Corporate Director for Community Safety	Rob.MacDougall@Oxfordshire.gov.uk
Your Local Councillors (if you live in Oxfordshire)	Web site: www.oxfordshire.gov.uk Click on: Council>About your council>Oxfordshire councillors>Your county councillor Your county councillor Oxfordshire County Council

ANNEX 2 – EXTERNAL ORGANISATIONS – CONTACT DETAILS

Any directly relevant Body listed in the Department for Business, Energy & Industrial Strategy website under [“Blowing the whistle: list of prescribed people and bodies”](#)

Or

[Any contact listed below:](#)

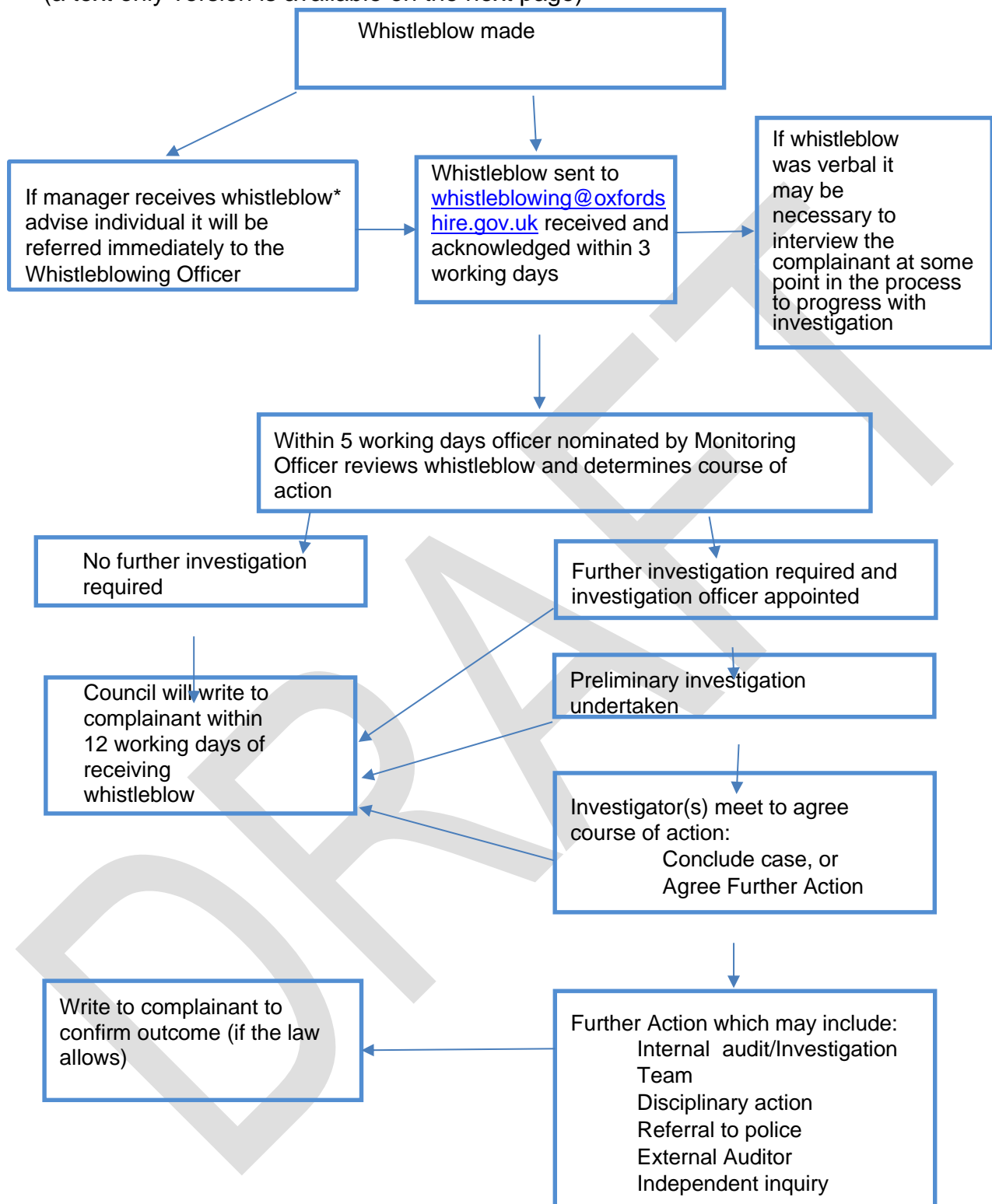
Contact	Details
External Auditors Ernst & Young LLP	Apex plaza, Forbury Road, Reading. RG1 1YE Web: www.ey.com Or: 0118 928 1100
The Local Government and Social Care Ombudsman	PO Box 4771, Coventry. CV4 0EH www.lgo.org.uk Tel no. 0300 061 0614
The Equalities and Human Rights Commission	www.equalityhumanrights.com/en/whistleblowing#report
The Health and Safety Executive (Regional Office)	Priestley House, Priestley Road, Basingstoke, Hampshire. RG24 9NW Web: www.hse.gov.uk Tel no. 0300 790 6787
The Environment Agency (Thames Regional Office)	Kings Meadow House, Kings Meadow Road, Reading. RG1 8DQ Web: www.environment-agency.gov.uk Tel No. 03708 506506
Citizens Advice Bureau Whistleblowing Helpline Free advice for NHS and Social Care	www.citizensadvice.org.uk https://speakup.direct/ Tel No. 08000 724725
The NSPCC Whistleblowing Helpline (when it relates to children)	0800 028 0285 Whistleblowing Advice Line NSPCC
Police	www.gov.uk/contact-police
Your Local Councillors (if you live in Oxfordshire)	You can find your Oxfordshire County Councillor on our website:
Protect Confidential advice line	www.protect-advice.org.uk / 020 3117 2520
UNISON Recognised Trade Union	Oxfordshire County Branch phone: 01865 815990 email unison@oxfordshire.gov.uk

ANNEX 3 – WHISTLEBLOWING & PROTECTIONS

- a) If a whistleblower has any doubt about whether it is lawful to make a disclosure, it is recommended that they take advice from the Director of Law and Governance and Monitoring Officer or Chief Internal Auditor, before disclosing the detail to avoid inappropriate disclosure. This is so the whistleblower keeps any protection the law affords as a consequence of their actions. The law protects the whistleblower from any retaliation or discrimination which may occur, so long as they believe any “protected disclosure” to be true, it is proportionate to the circumstances and importantly that it is made to a prescribed person or relevant body only. to include reference to the for further advice regarding whether it is lawful to make a disclosure
- b) An employee is not protected or immune from other action being taken against them if making the disclosure breaks the law
- c) Any protection the whistleblower may be entitled to by law, may be compromised or lost if the disclosure is made to the press.

ANNEX 4 - WHISTLEBLOWING PROCEDURE – FLOW CHART

(a text only version is available on the next page)



Whistle blowing procedure – text-only version.

A whistle blow is made.

Whistle blow may be sent directly to email whistleblowing@oxfordshire.gov.uk

If manager receives the whistle blow, individual is advised it will be referred immediately to the Whistleblowing Officer.

Whistle blow received via the whistleblowing email address will be acknowledged within 3 working days

Within 5 working days officer nominated by Monitoring Officer reviews whistleblow and determines course of action

If the whistle blow was verbal it may be necessary to interview the complainant at some point in the process to progress with the investigation.

If no investigation is required

Action: If no investigation is required, council will write to complainant within 12 working days of receiving whistle blow

If further investigation is required

If further investigation is required, an investigation officer will be appointed. **Action:** The council will write to complainant within 12 working days of receiving the whistle blow.

A preliminary investigation undertaken.

Investigator(s) meet to agree course of action: conclude case or agree further action.

Further action

Further action may include:

- internal audit/investigation team
- disciplinary action
- referral to police
- external auditor
- independent inquiry

Action: Write to complainant to confirm outcome (if the law allows)

ANNEX 5 - WHISTLEBLOWING FORM

This form is intended for use by employees and workers who wish to make a Whistleblowing Complaint under the terms of the Council's whistleblowing policy ([link](#)). This is to assist you in making your complaint and ensure that the Council captures your complaint. While you are encouraged to use this form, there are a number of methods by which you can make a whistleblowing complaint, and these are set out in section I of the Council's policy.

Agency workers, consultants and contractors and any others who perform functions in relation to the Council can also use the Council's whistleblowing policy.

A Whistleblowing Complaint requires that a Qualifying Disclosure is made.

A 'qualifying disclosure' is the term used in the whistleblowers legislation (Public Interest Disclosure Act 1998) to identify the categories of information which an employee/worker can disclose to a suitable person without fear of reprisal.

A qualifying disclosure is a protected disclosure provided

- the disclosure of information which you reasonably believe is made in the public interest; and
- the disclosure of information, shows one or more of the following categories of 'relevant failures' is either currently happening, took place in the past, or is likely to happen in the future; and
- the complaint is made to the right person in the right way.

Categories of 'relevant failures' as determined by statute

- a criminal offence, including offences such as theft, fraud or acts of bribery
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health and safety of any individual
- damage to the environment
- deliberate concealment of information tending to show any of the above five matters.

Your belief must be reasonable, but it need not be correct.

It might be discovered subsequently that you were, in fact, wrong or mistaken in your belief, and if that is the case you are still afforded protection from reprisal or detriment, provided you demonstrate you held the belief and that it was a reasonable belief to hold in the circumstances at the time of making your whistleblowing complaint.

For a qualifying disclosure to be a protected disclosure, then you then need to make it to the right person and in the right way. There are a number of methods by which you can make a qualifying protected disclosure, and this is set out in section I of the Council's policy, but we always encourage first raising your whistleblowing complaint with the council in the first instance and this is the purpose of this form.

If you are an employee and your concern relates to a breach of your own contract of employment or is otherwise a personal grievance or is of a personal interest, you should use the Council's/Schools grievance procedure instead.

If you are unsure whether your concern is best dealt with under the whistleblowing policy or grievance policy or Anti Bullying and Harassment policy or other council/school policy, please consult your line manager, HR Business Partner or the Council's Monitoring Officer for further advice.

Once you have completed this form, you should immediately forward it to whistleblowing@oxfordshire.gov.uk.

You can also forward this and/or copy this to you line manager. If you send your complaint to your line manager, they will forward this to the whistleblowing email box.

Once you have submitted your complaint, the procedure set out in the whistleblowing policy will be invoked and this will result first in an INITIAL ASSESSMENT and may then lead to further investigations/enquires and may result in a FINAL ASSESSMENT.

You can request that your concerns be kept anonymous. Where possible, this will be respected, but we cannot guarantee that this will be the case. See the whistleblowing policy for more details on 'Protection for Whistleblowers'.

Formal whistleblowing disclosure	
Full name of employee:	
Job title/Service Area/Directorate	
Date:	
Does your public interest disclosure relate to your line manager?	YES/NO*
<p>What is the category of your public interest disclosure?</p> <p>Delete the categories that DO NOT APPLY to your complaint.</p>	<ul style="list-style-type: none"> • a criminal offence, including offences such as theft, fraud or acts of bribery • the breach of a legal obligation • a miscarriage of justice • a danger to the health and safety of any individual • damage to the environment • deliberate concealment of information tending to show any of the above five matters.
<p>Please set out</p> <p>a) further details of the issue you wish to raise, including any dates, times, locations and the individuals involved: please use additional pages if necessary and please add your name and number to these pages; and</p> <p>b) why you reasonably believe your disclosure of information is made in the</p>	

<p>public interest; and</p> <p>c) how your disclosure of information is in the public interest.</p>	
<p>If possible, please provide the names and contact details of the individuals involved, including any witnesses:</p>	
<p>Please set out how you would like to see the issue dealt with, and why you believe this outcome will resolve the issue:</p>	
<p>I declare that the information I have given on this form is true and accurate to the best of my knowledge and belief.</p> <p>I understand that if I knowingly make false or malicious allegations, then disciplinary actions, including dismissal may be taken by the council. If I am a third party, such as an agency worker, consultant or contractor, I understand that it may result in my engagement being terminated.</p>	

(* delete as appropriate)

Name:
 (insert name of employee)

Signed:

Date:

CONTINUATION PAGES

Name:

Please provide: further details of the issue you wish to raise, including any dates, times, locations and the individuals involved

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AUDIT AND GOVERNANCE COMMITTEE – 13 March 2024

Review of Arrangements for Dealing with Complaints Against Members

Report by Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. The Committee is requested to consider the revised Arrangements for Dealing with Complaints Against Members and to comment upon them.

RECOMMENDATION TO COUNCIL

2. To recommend to Full Council that the revised Arrangements for Dealing with Complaints Against Members together with annexes 1 to 5 are approved and adopted by the Council.

Executive Summary

3. The Localism Act 2011 (the Act) requires all local authorities to adopt a code of conduct setting out the standards of behaviour expected from local councillors (Section 27(2)).
4. Oxfordshire's revised Member Code of Conduct was approved at Full Council on 5 April 2022 and adopted with effect from 1 May 2022.
5. Under Section 28(6)(b) of the Act a local authority is required to put in place arrangements for dealing with allegations of breaches of the code of conduct and for making decisions upon allegations.
6. These "Arrangements" set out how a complaint that an elected or co-opted member of this Council has failed to comply with the Council's Code of Conduct will be dealt with, and how the Council will deal with allegations of a failure to comply with the Code of Conduct.
7. Key changes made to these arrangements include:
 - a. From the outset, when completing the complaint form, the requirement for a complainant to identify the parts of the Member Code of Conduct that they consider have been breached;
 - b. Changes to the timeframes for dealing with member complaints to provide the Monitoring Officer with 30 working days within which to complete the assessment of the complaint, and 30 working days in which to complete the preparation and for a Members' Hearing Panel.
 - c. Detailing the support available to Subject Councillors;

- d. A more detailed hearing process which is before a Members' Hearing Panel which replaces the Members' Advisory Panel. The significance of this is that rather than providing recommendations to the Monitoring Officer, the Members' Hearing Panel will take the decisions as to whether there is a breach of the code of conduct or not and any sanctions to impose if applicable;
- e. The hearing process has been set out in greater detail in annex 3. This includes clarity on timescales and a presumption that the hearing will be held in public.

Conclusion

- 8. The Committee is invited to consider the revised Arrangements for Dealing with Complaints Against Members and to comment upon them, before recommending them to Full Council.

Financial Implications

- 9. There are no financial implications.

Comments checked by: Ian Dyson, Director of Finance Services
ian.dyson@oxfordshire.gov.uk

Legal Implications

- 10. The Localism Act 2011 requires all local authorities to adopt a code of conduct setting out the standards of behaviour expected from local councillors. These arrangements set out how the Council will deal with allegations of and decisions relating to breaches of the code of conduct. The specific legislative provisions are set out in paragraphs 3 and 5 of the report.

Comments checked by: Anita Bradley, Director of Law & Governance & Monitoring Officer
anita.bradley@oxfordshire.gov.uk

Anita Bradley
Director of Law & Governance & Monitoring Officer

Contact Officers: Sarah Smith, Senior Governance Lead;
governance@oxfordshire.gov.uk

March 2024



**OXFORDSHIRE
COUNTY COUNCIL**

Arrangements for Dealing with Complaints Against Members

Review date: April 2026

March 2024

Contents

Part 1:	The Code of Conduct.....	3
Part 2:	Making a complaint.....	3
Part 3:	The complaints process.....	4
Part 4:	Will your complaint be investigated?.....	5
Part 5:	How is the investigation conducted?.....	8
Part 6:	What happens if there appears to be no evidence of a failure to comply with the Code of Conduct?.....	8
Part 7:	What happens if there appears to be evidence of a failure to comply with the Code of Conduct?.....	9
Part 8:	What action can the Members' Hearing Panel take where a member has failed to comply with the Code of Conduct?...	10
Part 9:	What happens at the end of the hearing?.....	11
Part 10:	Public Access to Hearing and Documents.....	11
Part 11:	Confidentiality in advance of Hearing.....	11
Part 12:	Timescales	12
Part 13:	Appeals.....	12
Part 14:	Support for Councillors.....	12
Part 15:	Document retention.....	13
Part 16:	Revision of these arrangements.....	13
Annex 1:	Complaint process map.....	14
Annex 2:	Glossary of terms used during the complaint process.....	15
Annex 3:	Procedure to be followed by the Member's Hearing Panel.	17
Annex 4:	Indicative timescale for each stage of the complaint.....	21
Annex 5:	Complaint form.....	23

1. The Code of Conduct

- 1.1 The Localism Act 2011 requires all local authorities to adopt a code of conduct setting out the standards of behaviour expected from its councillors.
- 1.2 The Council has adopted a [Members' Code of Conduct \(oxfordshire.gov.uk\)](http://oxfordshire.gov.uk), which can be found at Part 9 of the Constitution, on the Council's website or can be provided on request.
- 1.3 These "Arrangements" set out:
 - a) how to make a complaint that an elected or co-opted member of Oxfordshire County Council has failed to comply with the Members' Code of Conduct and;
 - b) how the Council will deal with such complaints.
- 1.4 The Monitoring Officer may depart from any of these arrangements where, in the opinion of the Monitoring Officer, it is necessary to do so in order to secure the effective and fair consideration of any matter.

2. Making a Complaint

- 2.1 Complaints must be submitted in writing to Oxfordshire County Council's Monitoring Officer using the [Code of Conduct complaint form](#). The complaint form (see annex 5) can be downloaded from the Council's website and is also available on request.
- 2.2 Your completed form should be sent to the Monitoring Officer by post or email (preferred). If you wish to make a complaint, please write, or email to:

By Post: Monitoring Officer
 Law & Governance
 Oxfordshire County Council
 County Hall
 New Road
 Oxford OX1 1ND

Email: standards.monitoringofficer@oxfordshire.gov.uk

- 2.3 The Monitoring Officer is the Director of Law & Governance who has statutory responsibility for maintaining the Register of Members' Interests and is responsible for administering the system in respect of

complaints of Member misconduct.

2.4 Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you want to keep your name and address confidential, please explain your reasons in this space provided on the complaint form.

2.5 The Monitoring Officer will not normally consider a complaint unless it is in writing and a complaint form has been received. This is to ensure that all of the relevant information is provided and, where necessary, consent to share information has been obtained so that the complaint can be processed. However, if you require any assistance in completing the form, please contact the council via the postal and email addresses detailed above at paragraph 2.2.

3. The complaints process

3.1 Receipt of your complaint will be acknowledged on behalf of the Monitoring Officer within **5** working days.

3.2 The Monitoring Officer is entitled to dismiss the complaint at the outset if:

- a) the Subject Councillor is no longer a councillor;
- b) the complaint is made anonymously;
- c) the same, or substantially the same issue has been the subject of a previous Code of Conduct allegation and there is nothing further to be gained;
- d) the complaint is essentially against the action of the council as a whole and cannot properly be directed against individual councillor(s);
- e) the complaint does not relate to the conduct of a councillor and is a service complaint or other matter;
- f) the complaint is against an officer of the Council.

3.3 If the complaint identifies criminal conduct (including a failure to register disclosable pecuniary interests) or breach of other regulations by any person, the Monitoring Officer will refer the complaint to the police or other regulatory agencies. No further action will be taken in relation to such complaints until any related criminal/regulatory investigation, proceedings or processes have been concluded.

3.4 Anonymous complaints will not normally be investigated, unless there is clear public interest in doing so and the Monitoring Officer considers that a fair investigation can be carried out.

3.5 Requests from Complainants for the Monitoring Officer to withhold their identity so that they remain anonymous to the Subject Councillor, are not ordinarily granted. The Monitoring Officer has to balance the right of the Subject Councillor to properly understand the complaint against them and

respond to it, with the rights of the Complainant. This normally means that the Subject Councillor will need to be told who is making the complaint.

3.6 The Monitoring Officer will usually write to the Subject Councillor complained of and provide them with a copy of your complaint (having removed your contact details), asking them for comments and any further information that the Monitoring Officer considers necessary. In exceptional cases, where it is appropriate to keep your identity confidential or disclosure of details of the complaint to the Member might prejudice any investigation, the Monitoring Officer can delete your name from the papers provided to the Subject Councillor.

3.7 The complainant is encouraged to, and the Subject Councillor is required to, respond promptly to any correspondence in relation to the complaint. The complainant and Subject Councillor will be kept updated as to how the complaint is progressing. If at any stage in the complaint process the Complainant fails to respond, the complaint may be treated as withdrawn; if the Subject Councillor fails to respond, the complaint will be determined on the basis of the information available. Failure by the Subject Councillor to engage with this process may amount to a breach of the member's code of conduct under paragraph 6.8.2: *[A Councillor] Shall cooperate with any Code of Conduct assessment, investigation, hearing and/or determination.*

4. Will your complaint be investigated?

4.1 The Monitoring Officer, or their appointee, will review every complaint received and, after consultation with an Independent Person (either in person or electronically), take a decision as to the following:

- a) That no further action should be taken,
- b) Refer the complaint for local resolution (which might involve an apology or training or some other form of mediation or informal resolution),
- c) Refer the complaint for investigation.

4.2 This is known as the Assessment stage and its purpose is to establish if there are valid grounds to investigate the complaint or take informal action. At this stage there is no consideration or decision about whether or not there has been a breach of the Code of Conduct.

4.3 When reviewing Code of Conduct complaints, the Monitoring Officer, in consultation with an Independent Person, will have regard to the following assessment criteria:

Adequate information:	<p>The Monitoring Officer must be satisfied that there is sufficient information available at the “initial test and assessment stage” to decide whether the complaint should be referred for investigation or other action.</p> <p>The Monitoring Officer may provide other information which is readily available, and which may assist in the consideration of the complaint “initial test and assessment stage”. This may include details of attendees at events, copies of agendas, reports and minutes of meetings or copies of the Members’ entry in the Register of Members’ Interests or other readily available information. It will not include conducting interviews with witnesses.</p> <p>If insufficient information is available, the Monitoring Officer will not normally refer the complaint for investigation or other action.</p>
Official Capacity	The Monitoring Officer must be satisfied that that the Subject Councillor was acting in an official capacity.
Timescale	The Monitoring Officer will take into account when the events subject to the complaint took place and will not normally investigate or pursue other action if the events occurred more than 6 months prior to the complaint being submitted other than in exceptional circumstances, such as where the conduct relates to a pattern of behaviour which has recently been repeated.
Seriousness	<p>The Monitoring Officer will not normally refer a matter for investigation or other action if it is considered trivial, malicious, vexatious, politically motivated or tit-for-tat.</p> <p>If something is politically motivated, it is carried out in the interests of a particular government or political party or individual.</p> <p>Where a complaint appears to relate to the “rough and tumble of political debate” and pertains to conduct between Members or Members and co-opted Members rather than between Members and the public or officers, in most instances no further action will be taken.</p>
Public interest	Consideration will be given as to whether the public interest ¹ would be served by referring a complaint for

¹ used when talking about people's rights to know the facts about a particular situation.

	<p>investigation or other action.</p> <p>The public interest would not normally be served where, for instance, a member has died, resigned or is seriously ill.</p> <p>If the complaint has already been the subject of an investigation or other action relating to the Code of Conduct or the subject of an investigation by other regulatory authorities, it is unlikely that it will be referred for investigation or other action unless it is evident that the public interest will be served by further action being taken.</p> <p>If the complaint relates to a former Member of Oxfordshire County Council who is now an elected member of another Council, the Monitoring Officer may refer the matter to that Council for consideration.</p>
Multiple Complaints	<p>A single event may give rise to similar complaints from a number of complainants. Where possible these complaints will be considered by the Monitoring Officer at the same time. Each complaint will, however, be determined separately. If an investigation is deemed to be appropriate the Monitoring Officer may decide that, in the interests of efficiency, only one complaint should go forward for investigation, with the other complainants being treated as potential witnesses in that investigation.</p>

4.4 Before reaching a decision, the Monitoring Officer may request further information from the Complainant and the Subject Councillor or obtain information which is readily available such as minutes of Council meetings. This may extend the timescale for dealing with the complaint.

4.5 In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. If, in the Monitoring Officer's view, the Subject Councillor makes a reasonable offer to settle the complaint informally, but the Complainant is not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.

4.6 The Monitoring Officer will normally reach an assessment within 30 working days following receipt of all the information required to assess the complaint. Where the Monitoring Officer has taken a decision, they will inform the complainant and Subject Councillor of this decision and the reasons for that decision. The Monitoring Officer's decision is final and cannot be appealed.

5. How is the investigation conducted?

- 5.1 The Monitoring Officer will determine the procedure to be adopted if a decision is taken to undertake a formal investigation. This may involve the appointment of an Investigating Officer, who may be another senior/appropriately qualified officer of the Council, an officer of another Council or an external investigator.
- 5.2 The Investigating Officer will usually need to speak to the Complainant to discuss the complaint or correspond in writing with the complainant and may need to see relevant documents or interview other witnesses. The Complainant will be able to suggest what documents the Investigating Officer should review, and which witnesses the Investigating Officer should consider interviewing.
- 5.3 The Investigating Officer will also normally interview the Subject Councillor and provide them with the same opportunity to identify sources of evidence and witnesses. The Investigating Officer retains the discretion to conduct the investigation as they see fit including whether to interview witnesses.
- 5.4 At the end of their investigation, the Investigating Officer will produce a draft report and share it with the Monitoring Officer for their consideration. The Monitoring Officer must satisfy themselves that the investigation is of an acceptable standard and has covered all aspects of the complaint.
- 5.5 If the Monitoring Officer is not satisfied that the investigation has been conducted satisfactorily, they may ask the Investigating Officer to reconsider aspects of the report or to take further investigatory action including interviewing additional witnesses.
- 5.6 Once the Monitoring Officer is satisfied that the investigation has been conducted fully, the draft report will be sent by the Investigating Officer to the complainant and Subject Councillor with a deadline for each of them to comment upon it.
- 5.7 The Investigating Officer will consider any comments the Complainant and/or the Subject Councillor make before sending the final report to the Monitoring Officer. The report will reach a conclusion as to whether the Investigating Officer considers that there has been a breach of the Code of Conduct or not, on each allegation, and the reasons for this conclusion.

6. What happens if there appears to be no evidence of a failure to comply with the Code of Conduct?

- 6.1 The Monitoring Officer will write to you and the Subject Councillor giving you both a copy of the final report.
- 6.2 In considering the Investigating Officer's report, the Monitoring Officer may

consult with an Independent Person if they consider it appropriate to do so.

6.3 The Monitoring Officer may consider that there are “learning points” which should be shared with the Subject Councillor and/or the Audit & Governance Committee.

7. What happens if there appears to be evidence of a failure to comply with the Code of Conduct?

7.1 The Monitoring Officer will review the Investigation Report and any other relevant documentation supplied by the Investigating Officer and consult an Independent Person. The Monitoring Officer will then either send the matter for local hearing before the Members’ Hearing Panel or seek local resolution.

Local Resolution

7.2 If the Monitoring Officer thinks that the complaint can reasonably be resolved without the need for a hearing they will consult with an Independent Person and with the Complainant and seek a fair resolution. It is important though that any resolution also helps to ensure higher standards of conduct for the future. Possible local resolutions may include the Subject Councillor accepting that their conduct was below the standard expected and offering an apology to the satisfaction of the Monitoring Officer. If the Subject Councillor complies with the suggested resolution, the Monitoring Officer will report the outcome in the annual statistical report to the Audit & Governance Committee but will take no further action. That will be the end of the matter.

Local Hearing

7.3 If the complaint cannot be resolved through local resolution and/or the Monitoring Officer considers that local resolution is not appropriate, particularly if the allegation relates to serious misconduct, then the Monitoring Officer will convene a Members’ Hearing Panel (the Panel) who will conduct a local hearing to determine whether or not the Code of Conduct was breached.

7.4 The Panel will comprise a maximum of three Members of the Council drawn from at least two different political parties together with the Monitoring Officer and such other Officers as they may designate. The Panel may include not more than one Member of the Authority’s Cabinet

7.5 The Independent Person will attend all meetings of the Panel and their views will be sought and taken into consideration before any finding is made by the Panel.

7.6 The Monitoring Officer will select the membership of each Member Hearing Panel.

7.7 This is not a Court process but, in order to be fair to everyone, formalities are followed so that a clear and lawful decision can be reached.

7.8 The procedure to be followed is detailed at Annex 3.

7.9 The Panel may conclude that the Subject Councillor did not fail to comply with the Code of Conduct, and so dismiss the complaint, which would conclude the matter.

8. What action can the Members' Hearing Panel take where a member has failed to comply with the Code of Conduct?

8.1 If the Panel after hearing and/or reading all representations and having heard from an Independent Person, concludes that the Subject Councillor did fail to comply with the Code of Conduct, the Chair will inform the Subject Councillor of this finding and the Panel will then consider what action, if any, it should take as a result of the failure to comply with the Code of Conduct. In doing this, the Panel will give the Subject Councillor an opportunity to make representations.

8.2 The Panel may decide to:

- a) Censure or reprimand the member;
- b) Publish its findings in respect of the Member's conduct;
- c) Report its findings to Council for information;
- d) Recommend to the Member's Group Leader (if applicable) that they be removed from any or all Committees or Sub-Committees of the Council;
- e) Recommend to the Leader of the Council that the Member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- f) Recommend to Council that the member be replaced as Leader of the Council;
- g) Instruct the Monitoring Officer to offer training for the Member;
- h) Withdraw facilities provided to the Member by the Council, such as a computer, website and/or email and Internet access, or
- i) Exclude the Member from the Council's Offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

8.3 The Panel has no power to suspend or disqualify the Member, to withdraw Members' basic or special responsibility allowances, or to recommend other outcomes.

9. What happens at the end of the hearing?

9.1 At the end of the hearing, the Chair will state the conclusion of the Panel as to whether the Member failed to comply with the Code of Conduct and the Panel will then consider what, if any, sanctions to impose on the Subject Councillor and/or actions to require as to any actions.

9.2 Before any sanctions are considered, the Panel will provide a further opportunity to the Subject Councillor to make further representations and hear further from the Independent Person before taking a decision as to any sanctions (if any) to impose from those set out in paragraph 8.2. As soon as reasonably practicable after the hearing, the Monitoring Officer shall prepare a formal decision notice, in consultation with the Chair of the Panel, and send a copy to the Complainant and the Subject Councillor.

9.3 The decision notice will be published as part of the minutes of the Panel meeting and will be placed on the Council's website unless the Monitoring Officer determines that it should remain confidential, or it contains exempt information.

10. Public Access to Hearing and Documents

10.1 There is a presumption that hearings will be held in public and that reports for the Hearing Panel will be available before and during the hearing. However, there may be reasons, as detailed under below, which would prevent public access to the hearing (or part of the hearing) and documents (or parts of documents) to be considered by the Hearing Panel.

11. Confidentiality in advance of Hearing

11.1 Throughout the arrangements for dealing with complaints against members there is a presumption that all steps and correspondence prior to any formal hearing will be exempt, and any documentation will remain exempt from disclosure. This is in accordance with Schedule 12A of the Local Government Act 1972.

11.2 Where the Monitoring Officer considers that the Investigating Officer's report and/or Subject Councillor's written statement in response to the Investigating Officer's report and/or the Investigating Officer's reply to that response is likely to disclose "exempt information", and in consequence that it is likely that the Hearing Panel will not be open to the public during consideration of these papers, they shall not provide copies of these papers to the press or public or permit inspection of them by the press or public in advance of the meeting.

11.3 Where the Monitoring Officer considers that the Investigating Officer's report and/or the Subject Councillor's written statement in response and/or the Investigating Officer's reply to that response is likely to disclose "exempt information" falling within Schedule 12A to the Local Government Act 1972, they will not provide copies of such papers to, nor permit inspection by any Councillor of the Authority other than the members of the Hearing Panel and the Subject Councillor concerned in advance of the meeting.

11.4 "Exempt information" is defined in Schedule 12A of the Local Government Act 1972.

11.5 The Monitoring Officer in weighing up the public interest and whether any documentation or part of the arrangements should be made available to the public will take into consideration the wellbeing of the Subject Councillor.

12. Timescales

12.1 The timescales quoted at Annex 4 are indicative. They are not guaranteed and are included in that annex to illustrate the likely duration of the complaints process. Actual timescales may be significantly shorter or longer depending on the complexity and content of the complaint, and availability of all parties.

13. Appeals

13.1 There is no right of appeal for you as complainant or for the Subject Councillor against a decision of the Monitoring Officer or the finding of the Members' Hearing Panel.

13.2 If you believe that the Council has failed to deal with your complaint properly, you may make a complaint to the Local Government & Social Care Ombudsman:

Telephone: 0300 061 0614
www.lgo.org.uk/make-a-complaint

14. Support for Councillors

14.1 Being subject to a complaint can be a very stressful experience for a Subject Councillor. Recognising this, during the complaints process support is available to a County Councillor who is subject to a complaint in the form of access to:

- a) One of the Council's Independent Persons who they can speak to.

- b) The Council's Employee Assistance Programme (EAP) which is made available to all Councillors;

<https://intranet.oxfordshire.gov.uk/cms/content/employee-assistance-programme>.

Vita Wellbeing Telephone: 0800 111 6387
Email Helpline: Wellness@vhg.co.uk

- c) The Monitoring Officer or in their absence the Deputy Monitoring Officer who will be available to discuss the wellbeing of any Subject Councillor and signpost them to the relevant Independent Person.

15. Document retention

15.1 The documentation relating to a complaint will be retained for 6 years from the conclusion of the complaint, irrespective of the outcome of the complaint.

15.2 Minutes of the Audit & Governance Committee will be retained in the same way as the minutes of other council decision making bodies.

16. Revision of these arrangements

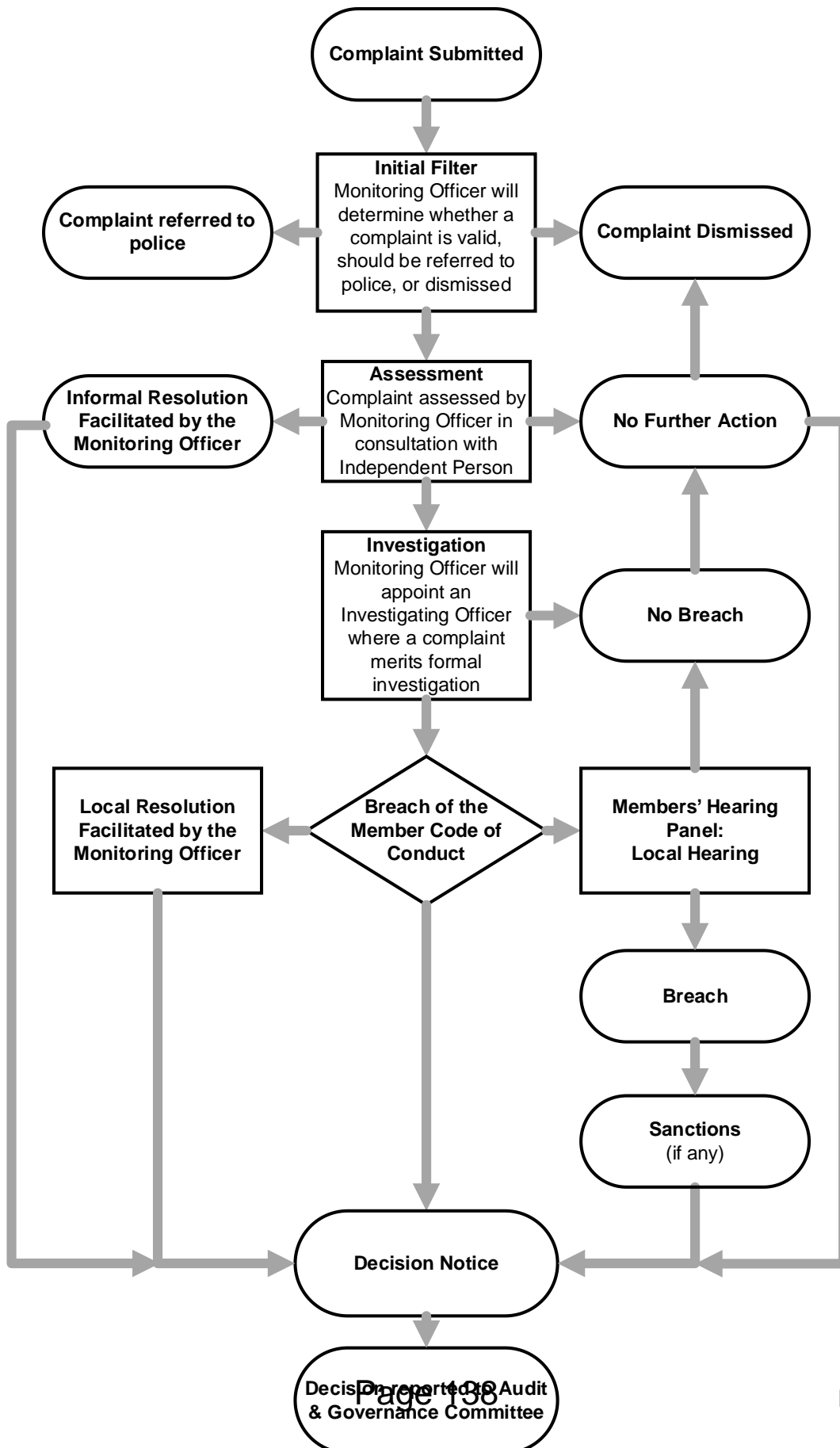
16.1 The Council may by resolution agree to amend these arrangements. The Monitoring Officer will review the arrangements every 2 years from the date of approval by Council.

Anita Bradley
Director of Law & Governance and Monitoring Officer

Date: March 2024

ANNEX 1

Arrangements for dealing with Code of Conduct complaints against councillors: Complaint Process Map



Annex 2

Arrangements for dealing with code of conduct complaints against Councillors: Glossary of terms.

Apology	Acknowledgement by the Subject Councillor that their Conduct fell short in some way of the standard expected of them written to the satisfaction of the Monitoring Officer.
Complainant(s)	The person/people making the complaint.
Initial tests and assessment stage	A meeting or discussion between the Monitoring Officer and an Independent Person to consider a complaint against the initial tests and assessment criteria.
Local Hearing	A meeting of the Members' Hearing Panel of the Audit & Governance Committee at which they consider whether the "Subject Councillor" has breached the code of conduct.
Independent person	The Council must appoint at least one Independent Person and seek that person's views before it takes a decision on a complaint that it has decided to investigate. The Independent Person's views can also be sought by the council on any other issue in the complaints handling process. The Independent Person will also provide, on request, procedural advice and support to a Subject Councillor.
Investigating Officer	The person appointed by the Monitoring Officer to undertake a formal investigation. This may involve the appointment of an investigating officer, who may be another officer of the council, an officer of another council or an external investigator.
Legal advisor	The officer responsible for providing legal advice to the Members' Hearing Panel of the Audit & Governance Committee. This may be the Monitoring Officer, another legally qualified officer, or someone appointed for this purpose from outside the council.
Monitoring officer	The Monitoring Officer is a senior officer of the council who has statutory responsibility for maintaining the register of councillors' interests and who is responsible for administering the system in respect of complaints of councillor misconduct. The Monitoring Officer may also act as the Legal Advisor to the Members' Hearing Panel.
Public interest	Public interest considerations are at the heart of this process. The Monitoring Officer must balance the appropriate use of public resource in dealing with complaints with the extent to which it may be in the public interest to take further action, and what that further action should be.

Subject Councillor	The councillor, or co-optee, against whom an allegation has been made.
Sanction	An official action imposed on a Councillor who is found to have breached the Code of Conduct for members.

Annex 3

Arrangements for dealing with code of conduct complaints against councillors:

Local Hearing Procedure

Introduction

- 1 Where the Monitoring Officer considers that it is in the public interest for a complaint to be considered by the Members' Hearing Panel (the Panel), a Local Hearing will be convened to determine whether the Subject Councillor has failed to comply with the Code of Conduct for Members.
- 2 The Monitoring Officer will seek to convene the Local Hearing within 25 working days of receipt of the final Investigator's report.
- 3 The Panel will comprise a maximum of three Members of the Council drawn from at least two different political parties together with the Monitoring Officer and such other Officers as he/she may designate. An Independent Person will attend the Panel whose view will be taken before any finding is made by the Panel. The Monitoring Officer will select the membership of each Panel.

Pre-hearing processes

- 4 The Monitoring Officer will invite the Subject Councillor to give their response in writing to Investigator's report. This is done to establish what is likely to be agreed and what is likely to be in dispute at the hearing.
- 5 The Panel, taking account of the advice of the Monitoring Officer, may issue directions about the way in which the Local Hearing will be conducted, for example agreeing the number and identity of witnesses. Such directions may be given either before or at the Local Hearing and may be decided at a meeting or by correspondence involving all members of the Panel. Any meeting to deal with pre-hearing process issues will be held in private without the Complainant or the Subject Councillor present.
- 6 At least 15 working days before the date of the Local Hearing the Subject Councillor must provide to the Monitoring Officer:
 - a) any written response to be considered by the Panel at the hearing;
 - b) details of any witnesses they wish to attend the Hearing (the Subject Councillor will be responsible for liaising with these witnesses as to availability and arranging their attendance at the Hearing);
 - c) suggestions as to any directions they believe the Panel should consider setting to assist the effective running of the Hearing;
 - d) notification of any reasonable adjustments they require to enable them to participate fully in the Hearing;

Documentation

- 7 Local Hearing meetings of the Members' Hearing Panel are subject to the normal rules for publication of council agendas and access to information.
- 8 The agenda papers for the Local Hearing will include:
 - a) Monitoring Officer report
 - b) Complaint form and documentation
 - c) Investigator's report
 - d) Subject Councillor's written response, if provided
 - e) For reference: Code of Conduct, Local Hearing procedure and sanctions available (in the event of a finding of breach of the Code of Conduct).
- 9 The agenda and documents will be published under the Council's rules for exempt information. Prior to the Local Hearing, any documentation issued or exchanged during the process must be treated by all recipients as confidential unless and until the Panel agrees that the press and public should not be excluded from the meeting at which the allegations are going to be heard.
- 10 If the Panel agrees that the meeting should be held in public, the investigator's report (subject to any redactions required in respect of any exempt information) will be made available to the press and public.

Local Hearing procedure

- 11 The Local Hearing will follow normal committee procedures for apologies, selection of a Chair for that meeting and declarations of interest.
- 12 At the Local Hearing, the Monitoring Officer or Legal Adviser will introduce the case that the Subject Councillor has failed to comply with the code of conduct.
- 13 The Investigator will present their report, call such witnesses as necessary (which may include the Complainant) and make representations to substantiate the conclusion that the Councillor has failed to comply with the Code of Conduct.
- 14 The Subject Councillor (or appointed representative) will then have an opportunity to give their evidence, to call witnesses and to make representations about why they consider that they did not fail to comply with the code of conduct.
- 15 Normal hearing rules will apply in terms of providing opportunities to question witnesses and test evidence, subject to the principles of natural justice.
- 16 If the Subject Councillor (or appointed representative) is not present, then the Panel will consider whether to proceed to hear the case and make a decision in absence, or whether to adjourn the hearing to another time or date. If the Subject Councillor has indicated that the hearing should carry on without them being in attendance this will normally happen.

- 17 The Panel may take legal advice from its legal advisor at any time during the meeting or while they are considering the outcome. The substance of any legal advice given to the Panel would be shared in the public domain with the Subject Councillor and the Investigator if they are attending the hearing.
- 18 The Panel will request that all persons leave the room while they consider whether or not there has been a breach of the code of conduct.

If there is no evidence of a failure to comply with the Code of Conduct

- 19 If the Panel concludes that the Subject Councillor did not fail to comply with the code of conduct it will dismiss the complaint and no further action will be taken.
- 20 In that event, the Panel may still make general recommendations to the Council on any remedial actions if considers necessary to address the issues raised.

If there is evidence of a failure to comply with the Code of Conduct

- 21 If the Panel determines that the Subject Councillor has failed to comply with the code of conduct, the Chair will inform the Subject Councillor of this finding. Prior to the Panel reaching a decision the Independent Person will give their views on the matter, which will be recorded in the minutes of the meeting. The Chair of the Panel will explain the reasons why any advice from the Independent Person has or has not been followed in giving its decision.
- 22 The Panel will then consider what action, if any, it should take as a result. The Panel will give the Subject Councillor an opportunity to make representations about that and will consult the Independent Person deciding what action, if any, to take.
- 23 The Panel will request that all persons leave the room while they consider whether or not to impose a sanction on the Subject Councillor and, if so, what the sanction should be.

Remedies

- 24 The Council has delegated to the Audit & Governance Committee powers to take action in respect of individual councillors as may be necessary to promote and maintain high standards of conduct. Accordingly, the Panel may:
- a) Censure or reprimand the Subject Councillor;
 - b) Recommend to the Subject Councillor's group leader (or in the case of ungrouped members, recommend to Council or to Committees) that they be removed from any or all Committee or Sub-Committees of the Council;
 - c) Recommend to the Leader of the Council that the Subject Councillor be removed from the Executive Board, or removed from particular portfolio responsibilities;
 - d) Recommend to Council that the Subject Councillor be replaced as Executive

Leader;

e) Instruct the Monitoring Officer to arrange training for the Subject Councillor.

f) Publish its findings in respect of the Subject Councillor's conduct;

g) Report its findings to Council, for information;

25 The Panel has no power to suspend or disqualify the member or to withdraw or suspend allowances or restrict access to or use of Council facilities.

Recommendations to the Council

26 The Panel will consider whether it should make any recommendations to the Council with a view to promoting high standards of conduct among councillors.

The Decision

27 The Monitoring Officer will, within 10 working days of the Local Hearing, prepare a formal decision notice, in consultation with the Chair of the Panel, and send a copy to the Complainant, to the Subject Councillor.

28 The decision notice will be published as part of the minutes of the Audit & Governance Committee Local Hearing meeting and will be placed on the Council's website unless the Monitoring Officer determines that it should remain confidential, or it contains exempt information.

29 The Monitoring Officer will be responsible for the implementation of the decision of the Panel. The findings and recommendations of the Panel (as implemented by the Monitoring Officer) are final.

Departure from these arrangements

30 The Chair of the Audit & Governance Committee or the Chair of the Panel has the right to depart from this procedure, in consultation with the Monitoring Officer or Legal Advisor, at any hearing where they consider that it is sensible to do so to deal with the case fairly and effectively.

Annex 4

INDICATIVE TIMESCALES FOR EACH STAGE OF COMPLAINT PROCESS

Stage in complaints process	Indicative Timescales
Acknowledge receipt of complaint or dismissal of invalid complaints	within 5 working days of receipt of complaint
Assessment stage decision	Issued to Subject Councillor and Complainant within 30 working days following receipt of all the information required to assess the complaint.
Investigation	A formal investigation normally takes around 8 - 12 weeks from the appointment of an appropriate investigator
Local Hearing	<p>Local Hearing within 30 working days of receipt of the final investigation report – which includes:</p> <ul style="list-style-type: none"> • 10 working days before the date of the Local Hearing to prepare hearing papers and hold any pre-hearing meetings; • 15 working days before the date of the Local Hearing the Subject Councillor must provide to the Monitoring Officer: <ul style="list-style-type: none"> a) any written response to be considered by the Panel at the hearing. b) details of any witnesses they wish to attend the Hearing (the Subject Councillor will be responsible for liaising with these witnesses as to availability and arranging their attendance at the Hearing) c) suggestions as to any directions they believe the Panel should consider setting to assist the effective running of the Hearing. d) notification of any reasonable adjustments they require to

	<p>enable them to participate fully in the Hearing.</p> <ul style="list-style-type: none"> • 5 working days for agenda publication.
Local Hearing Decision	<p>Issued to Subject Councillor and Complainant and published within 10 working days of the Hearing Panel meeting.</p>

Annex 5

MEMBERS' CODE OF CONDUCT COMPLAINT FORM

Please use this form if you wish to make a Code of Conduct complaint against Oxfordshire County Councillors or co-opted members.

If you have any questions or difficulties filling in this form or if for any reason you are in need of support in completing this form, please contact the Council via email: standards.monitoringofficer@oxfordshire.gov.uk

Please note

- Complaints can only be accepted in writing;
- An officer from the Council may contact you personally to go through the details of your complaint;
- The Council is unlikely to be able to keep your identity or the information you have provided confidential. If you have serious concerns about disclosure of your name and a summary of your complaint, please complete Section 4 on the confidential information;
- Please read the guidance document "Arrangements for Dealing with Complaints Against Members" prior to completing this form.

Section 1: Your details

Title	
First Name	
Surname	
House Number/Name	
Road/Street	
Town/City	
Postcode	
Telephone/Mobile Number	

Email Address	
----------------------	--

Please double click on (or tick) the box which complaint type best describes you:

- ☐ Member of the public
- ☐ Elected/co-opted member of the Council
- ☐ Local Authority Monitoring Officer
- ☐ Local Authority officer/employee
- ☐ Other (please specify)

--

Section 2: Your complaint

Who are you complaining about?

Please give the name(s) of the County Councillor or Co-opted Member(s) of Oxfordshire County Council that you consider has broken the Code of Conduct.

Name of individual(s) (include both first and last names)

1.	
2.	
3.	
4	
5.	

Section 3: What are you complaining about?

Please provide us with as much information as you can about your complaint to help us decide what action to take. Include the date and details of the alleged misconduct, and any information that supports the allegation.

Please identify in the table below which parts of the code of conduct you consider have been breached, with reasons why. Without this the Monitoring Officer is unable to assess your complaint.

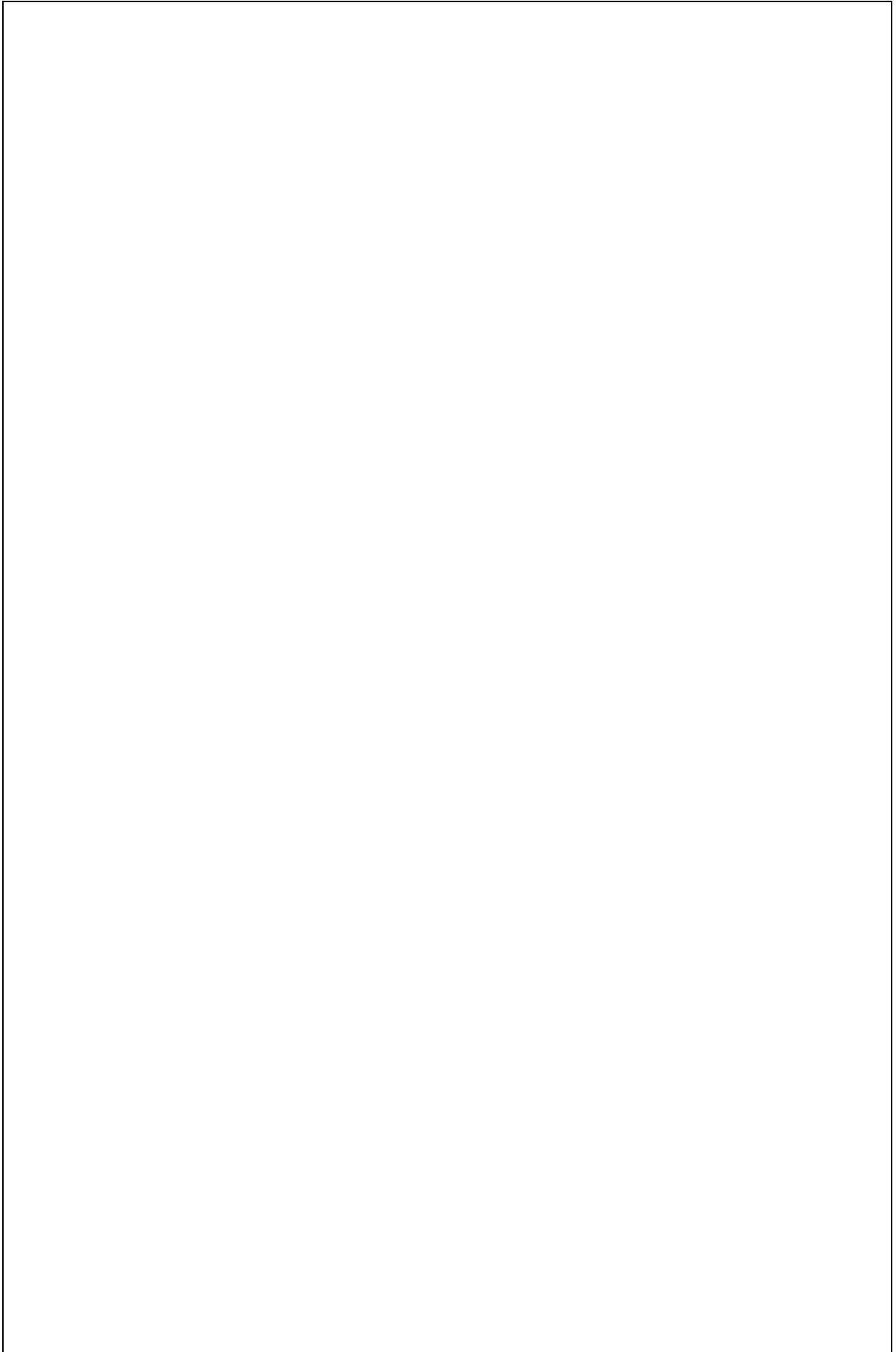
If you are complaining about more than one Member you should clearly explain what each individual Member has done that you believe has breached the Code of Conduct identifying which parts of the Code, you consider have been breached by each.

We can only investigate complaints that a Member has broken the Members’ Code of Conduct (please see the guidance document “Arrangements for Dealing with Complaints Against Members” referred to above).

You can continue on a separate sheet if there is not enough space on this form.

Paragraph	Behaviour

Details of complaint
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Evidence (if this applies)

Please attach to this form copies of any correspondence, documents, names and details of witnesses, and any other evidence that you feel is relevant to your complaint. Please avoid sending us large amounts of background information that only relates indirectly to your complaint.

Please briefly describe the documents you will be enclosing:

1.	
2.	
3.	
4.	
5.	
6.	

☐ Check this box if you would like us to return the evidence to you.

Witnesses (if this applies)

Please tell us the names and details of any witnesses:

	First Name	Last Name	Address/Phone Number
1.			
2.			
3.			

Section Four: Resolution of your complaint

As explained in the document “Arrangements for Dealing with Complaints Against Members”, in appropriate cases the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. For example, this may involve the member accepting that their conduct was unacceptable and offering an apology, or other remedial action by the authority, or some form of mediation. Where the member or the authority makes a reasonable offer of local resolution, but you are not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.

Please use this box to tell us whether you feel that there may be a way to resolve your complaint without the need for a formal investigation and, if so, how:

Section 5: Confidential Information (this part only applies if you are asking for your identity to be kept confidential)

In the interests of fairness and natural justice, we believe members who are complained about have a right to know who has made the complaint. We also believe that they have the right to be provided with a summary of the complaint. We are unlikely therefore to withhold your identity or the details of your complaint unless there is good reason. For example, where the disclosure of personal details may result in the evidence being compromised or destroyed by the Subject Councillor or if there is a real possibility of intimidation of the complainant or witnesses by the Subject Councillor.

Please note that requests for confidentiality or requests for suppression of complaint details will not automatically be granted. The assessment of your request will be undertaken by the Panel who will carry out the initial assessment of your complaint. We will then contact you with the decision. If your request is not granted, we will allow you the option of withdrawing your complaint. It is important to understand that in certain circumstances where the matter complained of is very serious, we can proceed with an investigation or other action and disclose your name even if you have asked us not to.

Please provide details below of why you believe we should withhold your name and details of your complaint:

Please consider the complaint I have described above, and the evidence attached. I understand and accept that the details will normally be disclosed to the Member and any parties involved in the complaints procedure or outside authorities required to monitor the Council's complaints procedure by law. It may also be shared with the Police in the prevention or detection of crime.

Signature: _____ Date: _____

Please send this form together with any attachments to:

**The Monitoring Officer
Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND**

Or by email to: standards.monitoringofficer@oxfordshire.gov.uk

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Divisions Affected – N/A

AUDIT AND GOVERNANCE COMMITTEE

13 March 2024

OXFORDSHIRE CODE OF CORPORATE GOVERNANCE

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

- 1. To approve the Oxfordshire Code of Corporate Governance attached to this report.**

Background

- 2. In 2016 CIPFA & SOLACE produced an updated guidance and framework with the identified principles that should underpin the governance of each local authority, and a structured approach to assist individual authorities to achieve good governance, 'Delivering Good Governance in Local Government: Framework 2016 Edition'. The Council's Code of Corporate Governance is based upon this guidance.**
- 3. The Council's Code of Corporate Governance (the Code) is based on the seven core principles which are set out in 2016 CIPFA & SOLACE: "Delivering Good Governance in Local Government: Framework 2016 Edition": -**
 - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;**
 - B. Ensuring openness and comprehensive stakeholder engagement;**
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;**
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes;**
 - E. Developing the County Council's capacity, including the capability of its leadership and the individuals within it;**
 - F. Managing risks and performance through robust internal control and strong public financial management; and**
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

4. The Framework urges local authorities to test their structures against these principles by:
 - Reviewing their existing governance arrangements against the Framework;
 - Developing and maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness;
 - Preparing an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
5. The Corporate Governance Assurance Group (an internal officer group) has reviewed and updated Oxfordshire County Council's Code of Corporate Governance, which is subject to an annual review; the next review date is March 2025.

Format of the Oxfordshire Code of Corporate Governance

6. The Code shows how Oxfordshire County Council complies with the principles of good governance.
7. Appendix A of the code sets out the actions and behaviours taken by the Council that demonstrate good governance.
8. This section of the Code is taken from 2016 CIPFA & SOLACE: 'Delivering Good Governance in Local Government: Framework 2016 Edition' guidance as written, to aid the reading of it, and is not subject to change by the Council or more eloquent words.
9. Appendix B of the Code provides evidence that demonstrates that the Council is delivering good governance.
10. This Code has been drafted with the oversight of the Corporate Governance Assurance Group (CGAG) and with input from Extended Leadership Team representatives. The Council Management Team (CMT) have also had an opportunity to review the code and comment upon it ahead of the Audit and Governance Committee.

Financial implications

11. There are no direct financial implications.

Comments checked by: Ian Dyson, Director of Finance Services
ian.dyson@oxfordshire.gov.uk

Legal implications

12. There is no statutory requirement for a Code of Corporate Governance. The code complements and underpins the Annual Governance Statement by demonstrating, with evidence, how the Council meets the good governance principles set out in the Good Governance Framework published in 2016 by the Chartered Institute of Public Finance and Accountancy.

Anita Bradley
Director of Law & Governance and Monitoring Officer

Annex: Oxfordshire Code of Corporate Governance

Contact officers: Simon Harper, Head of Governance
Email simon.harper@oxfordshire.gov.uk

Sarah Smith, Senior Governance Lead
Email governance@oxfordshire.gov.uk

March 2024

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**OXFORDSHIRE
COUNTY COUNCIL**

Code of Corporate Governance

Review date: March 2025

Contents

Introduction	3
What is Governance?	3
Core Principles	5
Appendix A - Actions and behaviours taken by the Council that demonstrate good governance.	7
Appendix B – Oxfordshire County Council’s Evidence of Good Governance	11

Introduction

1. In 2016 CIPFA & SOLACE produced an updated guidance and framework with the identified principles that should underpin the governance of each local authority, and a structured approach to assist individual authorities to achieve good governance, “Delivering Good Governance in Local Government: Framework 2016 Edition.”
2. The Council’s Code of Corporate Governance is based upon this guidance.

What is Governance?

3. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads its communities.
4. Corporate governance in public bodies can be defined as “the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions and lead and control their functions, to achieve their objectives”. It can be further defined as including “robust systems and processes, effective leadership and high standards of behaviour, a culture based on openness and honesty and an external focus on the needs of service users and the public”.

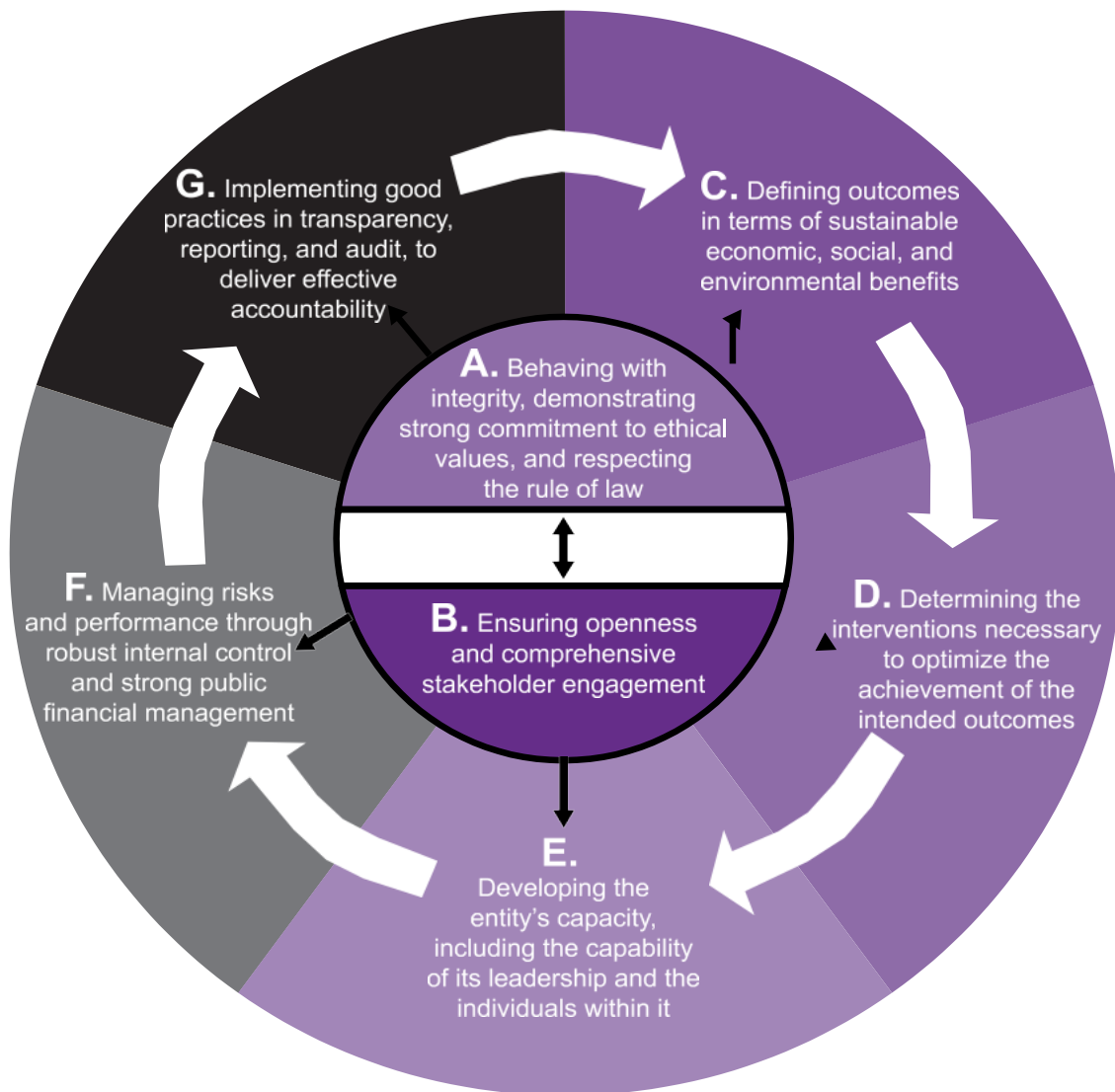
GUIDANCE AND FRAMEWORK

5. The Framework urges local authorities to test their structures against seven core principles by:
 - Reviewing their existing governance arrangements against the Framework
 - Developing and maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness
 - Preparing an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
6. The preparation and publication of an annual governance statement in accordance with this Framework is necessary to meet the statutory requirement set out in Regulation 6 (4) of the Accounts and Audit (England) Regulations 2015 (Accounts and Audit Regulations) for authorities to prepare a statement of internal control in accordance with “proper practices”.

7. Internal control and risk management are increasingly recognised as important elements of good Corporate Governance.
8. The scope of internal control spans the whole range of the Council's activities and includes controls designed to ensure that:
 - The Council's policies are implemented in practice;
 - High quality services are delivered efficiently and effectively;
 - The Council's values and ethical standards are met;
 - Laws and Regulations are complied with;
 - Required procedures are adhered to;
 - Financial statements and other published performance information is accurate and reliable;
 - Human, financial, environmental, and other resources are managed efficiently and effectively.
9. The Regulations place a requirement on the Council to conduct an annual review of the effectiveness of its internal controls and identify areas where improvements can be made.

POSITION IN OXFORDSHIRE

10. The implementation of the Accounts and Audit Regulations required the production of a Statement on Internal Control, which formed part of the Council's Statement of Accounts. The Council's Corporate Governance Assurance Framework sets out the Corporate Governance arrangements within the Council and sets out the roles and responsibilities of key Officers, Councillors and Committees within that process.
11. This Code of Corporate Governance sets out how Oxfordshire County Council complies with the requirements of the Code and identifies key documents, which provide detailed information as to how the Council ensures these Corporate Governance principles are adhered to.



Core Principles

12. The Council's Code of Corporate Governance is based on the seven core principles which are set out in 2016 CIPFA & SOLACE: "Delivering Good Governance in Local Government: Framework 2016 Edition": -

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the County Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

13. The Code specifically identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. The Code, along with its supporting infrastructure is set out below at Appendix A, with evidence of compliance summarised in in Appendix B.
14. The Audit and Governance Committee is currently responsible for approving this Code and ensuring it is annually reviewed and updated accordingly.

Next Review date: 31 March 2025

Appendix A - Actions and behaviours taken by the Council that demonstrate good governance.

Exact wording taken from 2016 CIPFA & SOLACE: “Delivering Good Governance in Local Government: Framework 2016 Edition.”

Principle	Sub Principles	Council Actions and Behaviours
(A) Behaving with integrity, demonstrating strong Commitment to ethical values, and respecting the rule of law	Behaving with integrity	<ul style="list-style-type: none"> Ensure that Members and Officers behave with integrity and lead a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the Council; Ensure that Members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These will build on the Seven Principles of Public Life (The Nolan Principles); Lead by example and use the above standard operating principles or values as a framework for decision making and other actions; and Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which will be reviewed on a regular basis to ensure they are operating effectively.
	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> Seek to establish, monitor and maintain the Council's ethical standards and performance; Underpin personal behaviour with ethical values and ensure they permeate all aspects of the Council's culture and operation; Develop and maintain robust policies and procedures which place emphasis on agreed ethical values; and Ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the Council.
	Respecting the Rule of Law	<ul style="list-style-type: none"> Ensure Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations; Create the conditions to ensure that the statutory officers, other key post holders, and Members are able to fulfil their responsibilities in accordance with legislative and regulatory provisions; Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders; Deal with breaches of legal and regulatory provisions effectively; and Ensure corruption and misuse of power is dealt with effectively.
(B) Ensuring openness and comprehensive stakeholder engagement	Openness	<ul style="list-style-type: none"> Ensure an open culture through demonstrating, documenting, and communicating the Council's commitment to openness; Make decisions that are open about actions, plans, resource use, forecasts, outputs, and outcomes. The presumption will be for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential will be provided; Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and will be explicit about the criteria, rationale and considerations used. In due course, the Council will ensure that the impact and consequences of those decisions are clear; and Use formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.
	Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> Effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably; Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively; and Ensure that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
	Engaging stakeholders individual citizens and service users	<ul style="list-style-type: none"> Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes; Ensure that communication methods are effective, and that Members and Officers are clear about their roles with regard to community engagement; Encourage, collect, and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs; Implement effective feedback mechanisms in order to demonstrate how their views have been taken into account; Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity; and Take account of the interests of future generations of taxpayers and service users.

Principle	Sub Principles	Council Actions and Behaviours
(C) Defining outcomes in terms of sustainable economic, social and environmental benefits	Defining outcomes	<ul style="list-style-type: none"> Have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning, and other decisions; Specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer; Deliver defined outcomes on a sustainable basis within the resources that will be available; Identify and manage risks to the achievement of outcomes; and Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
	Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> Consider and balance the combined economic, social, and environmental impact of policies, plans and decisions when taking decisions about service provision; Take a longer- term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints; Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs; and
		<ul style="list-style-type: none"> Ensure fair access to services.
(D) Determining the interventions necessary to optimise	Determining interventions	<ul style="list-style-type: none"> Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided; and Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
	Planning interventions	<ul style="list-style-type: none"> Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets; Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered; Consider and monitor risks facing each partner when working collaboratively including shared risks; Ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances; Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured; Ensure capacity exists to generate the information required to review service quality regularly; Prepare budgets in accordance with organisational objectives, strategies and the medium-term financial plan; and Inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
	Optimising intended outcomes	<ul style="list-style-type: none"> Ensure the medium-term financial strategy integrates and balances service priorities, affordability, and other resource constraints; Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term; Ensure the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage; and Ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".

Principle	Sub Principles	Council Actions and Behaviours
(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	Developing the Council's capacity	<ul style="list-style-type: none"> Review operations, performance use of assets on a regular basis to ensure their continuing effectiveness; Improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently; Recognise the benefits of partnerships and collaborative working where added value can be achieved; and Develop and maintain an effective workforce plan to enhance the strategic allocation of resources.
	Developing the capability of the County Council's leadership and other individuals	<ul style="list-style-type: none"> Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained; Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body; Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority; Develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks by: <ul style="list-style-type: none"> ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ensuring Members and Officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. Ensure that there are structures in place to encourage public participation; Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections; Hold staff to account through regular performance reviews which take account of training or development needs; and Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.
(F) Managing risks and performance through financial management	Managing Risk	<ul style="list-style-type: none"> Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making; Implement robust and integrated risk management arrangements and ensure that they are working effectively; and Ensure that responsibilities for managing individual risks are clearly allocated.
	Managing Performance	<ul style="list-style-type: none"> Monitor service delivery effectively including planning, specification, execution and independent post implementation review; Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook; Ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible; Provide Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement; and Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).
	Robust internal control	<ul style="list-style-type: none"> Align the risk management strategy and policies on internal control with achieving objectives; Evaluate and monitor the Council's risk management and internal control arrangements on a regular basis; Ensure effective counter fraud and anti-corruption arrangements are in place; Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor; Ensure an Audit and Governance Committee which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon.

Principle	Sub Principles	Council Actions and Behaviours
(F) Managing risks and performance through robust internal control and strong public financial management	Managing Data	<ul style="list-style-type: none"> ▪ Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data;
		<ul style="list-style-type: none"> ▪ Ensure effective arrangements are in place and operating effectively when sharing data with other bodies; and
		<ul style="list-style-type: none"> ▪ Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring;
	Strong public financial management	<ul style="list-style-type: none"> ▪ Ensure financial management supports both long-term achievement of outcomes and short-term financial and operational performance; and ▪ Ensure well –developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.
(G) Implementing good practices in transparency, accountability	Implementing good practice in transparency	<ul style="list-style-type: none"> ▪ Write and communicate reports for the public and other stakeholders in a fair, balanced, and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate; and
		<ul style="list-style-type: none"> ▪ Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
	Implementing good practices in reporting	<ul style="list-style-type: none"> ▪ Report at least annually on performance, value for money and the stewardship of its resources to stakeholders in a timely and understandable way;
		<ul style="list-style-type: none"> ▪ Ensure Members and senior management own the results;
		<ul style="list-style-type: none"> ▪ Ensure robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement);
		<ul style="list-style-type: none"> ▪ Ensure that the Framework is applied to jointly managed or shared service organisations as appropriate; and ▪ Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.
	Assurance accountability	<ul style="list-style-type: none"> ▪ Ensure that recommendations for corrective action made by external audit are acted upon; ▪ Ensure an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and that recommendations are acted upon; ▪ Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations; ▪ Gain assurance on risks associated with delivering services through third parties and evidence this in the annual governance statement; and ▪ Ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

Appendix B – Oxfordshire County Council’s Evidence of Good Governance

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council’s capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	The Constitution	Strategic Plan 2022-25	Cabinet Reports	DTFT Champions Network and their role in conjunction with SLT, CMT, and ELT in embedding DTFT Values. Strategic Transformation Board, Transformation Delivery Board	The Constitution	The Constitution Scheme of Delegation	Audit and Governance Committee, Terms of Reference
	Schemes of Delegation / Decision making protocols	Decision Making Protocols Oxfordshire County Council website – Forward Plan published on the Council website with notice of forthcoming Key Decisions	Strategic Plan 2022-25	Council Management Team (CMT) Directorate service Leadership Teams (DLT)	Protocol on Members’ Rights and Responsibilities Constitution – Opposition rights	Audit and Governance Committee, Corporate Governance Assurance Group	Scrutiny Committee/Framework
	Audit & Governance Committee (includes Standards) / Terms of Reference	Annual Statement of Accounts/ Annual Governance Statement	Scrutiny Committees	Budget Consultations – Reported to Cabinet	Member Induction/Development Programme	Scrutiny Committee/Framework Cabinet Report	Decision Making Protocols
	Enhanced Scrutiny arrangements: Performance & Corporate Services Overview & Scrutiny Committee, Place Overview & Scrutiny Committee, People Overview & Scrutiny Committee, Education, Young People Overview & Scrutiny Committee, The Oxfordshire Joint Health Overview & Scrutiny	Health Improvement Partnership Board; Future Oxfordshire Partnership (formerly the Oxfordshire Growth Board)	Oxfordshire Vision for Long-Term Sustainable Development; Shared regional principles for protecting, restoring and enhancing the environment in the Oxford-Cambridge Arc	Stakeholder Engagement	Workforce Planning Toolkit	Pension Fund Committee / Pensions Benefit Sub Committee Monthly Business Management and Monitoring reports	External audit of accounts and VFM opinion
	Financial Procedure Rules / Financial Regulations / Contract Procedure Rules	Public Meetings	Business Cases / Options Appraisals to support decision making	Business Cases including options appraisals	Chief Executive Appraisal Process Leadership / Management Development Programmes, 360 appraisal process that has been introduced for SLT, CMT, and ELT	Financial Procedure Rules / Financial Regulations / Contract Procedure Rules Business and Budget Planning Process	Annual Statement of Accounts
	Ethical Procurement Policy Statement	Scrutiny Committee Work Programmes Health Overview and Scrutiny Committees	Business and Budget Planning process, including Service Plans	Director of Finance statement, section 25 of the Local Government Finance Act 2003	12:3:2 / 1-2-1 programmes – managing for performance, Managing for Performance Framework Organisational Development Programme	External audit of accounts and Value for Money (VFM) opinion/ statement of accounts/ medium term financial strategy / Internal Audit Strategy	Annual Governance Statement Corporate Governance Assurance Framework
	Statutory Officer roles: Head of Paid Service (Chief executive), Director of Finance, Monitoring Officer. Chief Internal Auditor, mandate/Internal Audit Charter	Annual Budget Consultation, Consultation and Engagement Toolkit Annual Residents Survey ‘You said, we did’ section on our Let’s talk Oxfordshire consultation platform	Social Value Policy	Business and Budget Planning Process; Monthly Business Management Reporting	Annual Monitoring Officer’s Report Annual Governance Statement	Financial Management Code of Practice Annual Compliance review; Internal Audit, Public Sector Internal Audit Standards (PSIAS) external assessment	Chief Internal Auditors Annual Opinion / Report

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
	Evidence of Good Governance						
	Members' and Officers' Codes of Conduct, LGA Model Councillor Code of conduct	Co-production Programme	Risk & Opportunities Management Strategy Risk Registers	Medium Term Financial Strategy	Benchmarking Local Government Association Peer Review Internally led reviews / independent challenge External Reviews Improvement and Priority Action Plans	Data Protection and Information Security Incident Policy Information asset registers Information Governance Board/Group Privacy Assessments Data sharing agreements	Internal Audit Service Children's Social Care Annual Report
	Member/Officer Induction Programme Members'/Officers' Register of Interest	Joint Strategic Needs Assessment	Monthly Business Management reports	Business Continuity Plans Contingency Planning Local Resilience Forum	Health and Safety Governance Framework and policies Wellbeing advice Employee assistance programme	Data Protection Training – all staff have undertaken refreshed training.	Business and Budget Planning process / Monthly Business Management Reporting
	Protocol on Member Officer relations	Joint performance risk and finance reporting	Transparency Code	Risk & Opportunities Management Strategy	Mentoring Opportunities	Strategic Risk Register Leadership Risk Register Service-level operational risk registers.	Transparency Code
	Counter Fraud Strategy	Transparency Code	Equality Diversity and Inclusion Framework, Equality Impact Assessments,	Annual Service Delivery Plans	DTFT Champions Network and their role in conjunction with the Strategic Leadership (SLT), Council Management (CMT) and Extended Leadership (ELT) Teams in embedding DTFT Values	Chief Internal Auditors Annual Opinion / Report Annual Governance Statement	Oxfordshire County Council Website and Citizens' Portal
	Anti-Bribery and Anti-Money Laundering Policies	Corporate and Statutory Complaints Procedures	Climate Action Framework Climate Impact Assessments.	Social Value Policy	Continuing Professional Development (CPD)	Monthly Performance, Risk and Financial Reports	Freedom of Information Act & Environmental Information Regulations Publication Scheme
	Whistleblowing policy Transparency Code	Freedom of Information Act & Environmental Information Regulations Publication Scheme	Strategy, monitoring, and reporting	Decision Making Protocols	Scheme of Delegation	Counter Fraud Strategy Anti-Bribery and Anti-Money Laundering Policies	Corporate and Statutory Complaints Procedures
	. Risk & Opportunities Management Strategy; Strategic risk register plus service-level operational risk registers.	Consultation and Engagement Strategy 2022-25 and accompanying best practice guidance	Programme led delivery, benefits realisation, monitoring, reporting, evaluation, and review	Monitoring and reporting against key policies, and policy review	Succession planning and talent management to manage current and future risks of key personnel together with opportunities for individual growth and promotion. (An employer of choice)	Internal Audit were subject to external assessment by CIPFA in October 2023. This concluded that Internal Audit are fully compliant with Public Sector Internal Audit Standards.	Unacceptable Behaviour Policy
	Five core organisational values and associated behaviours embedded through our network of 200+ Delivering the Future	Project Initiation Document, Stakeholder Mapping	Libraries and Heritage Strategy	Programme and project management	Recruitment and retention Agile working	Established and effective systems and processes for managing employee relations	Job Descriptions Job Evaluation Shortlisting, Interview and Recruitment
	Procurement Strategy	Communication and engagement plans developed for all major projects.			Apprenticeships / National Graduate Development Programme.	Procurement Strategy Commercial Board	Business management and monitoring report
	Customer Service Standards	Communications approaches and material tailored to different audiences.			Information Technology, Innovation and Digital service supporting digital projects across the Council.	Strategic Capital Boards	Robust SLT, CMT and Directorate Leadership Team agendas.

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	Mandatory e-learning induction modules	Consultation materials and other information available in alternative languages, formats eg audio, braille, large format.			Council Change Programme underway with recruitment of dedicated Programme and Project Managers	Business management and monitoring report	
	Planning and Regulation Committee	Voluntary and Community Sector Strategy 2022-2027			Service and performance review	Risk & Opportunities Management Strategy Risk Management Framework Risk Based Internal Auditing	
	Climate Action Programme Board	OFLOG Pilot			Strategic Leadership Team (SLT) Council Management Team (CMT), and Senior Managers Forum - Shadowing	Business Continuity Plans Contingency Planning Local Resilience Forum	
	Cabinet and full Council decision-making	Citizens' Portal detailing progress made against our key performance indicators.			Our People & Culture Strategy	Council Management Team (CMT) Directorate service Leadership Teams (DLT)	

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Oxfordshire County Council Auditor's Annual Report

Year ended 31 March 2022

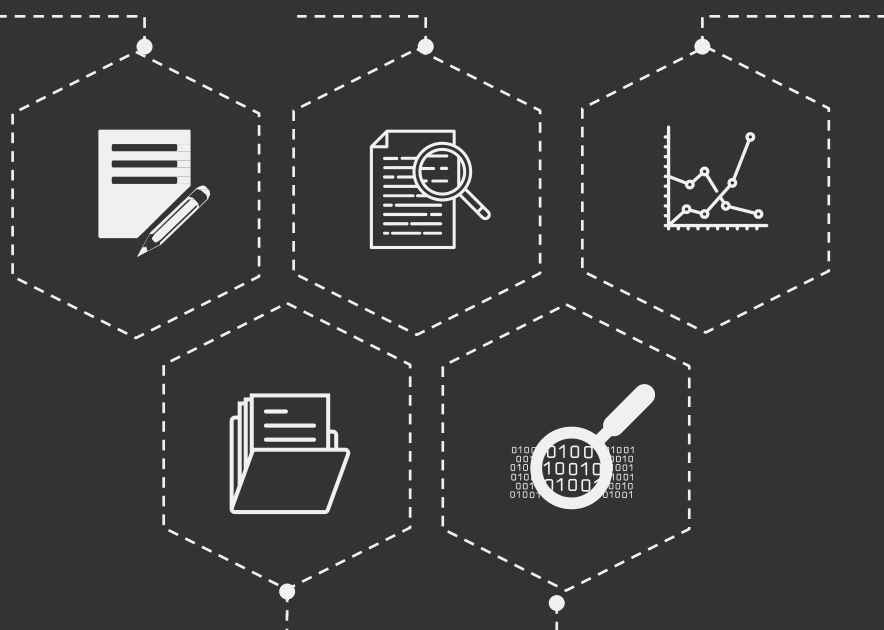
Issued on 25 January 2024

Contents

Introduction

Audit of the
financial
statements

Value for
Money



Appendix A -
Value for Money
Arrangements

Appendix B - Fees

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit & Governance Committee and management of Oxfordshire County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to Audit & Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Audit & Governance Committee and management of Oxfordshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



Introduction

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the Council, or the wider public, relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2021/22 audit work in accordance with the Audit Plan that we issued on 06 March 2023. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2021/22 financial statements;

Conclusions relating to going concern; and

The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;

- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



Introduction (continued)

2021/22 Conclusions

Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2022 and of its expenditure and income for the year then ended. We issued our auditor's report on 25 January 2024.
Going concern	We have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the Council's VFM arrangements. We have included our VFM commentary in Appendix-A.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts (WGA)	We received the 2021/22 WGA Group Audit Instructions as issued by the National Audit Office ('NAO') and we confirmed that the Council is under the threshold of £2bn for full audit procedures (threshold is consistent with 2020/21). However, the increase in HM Treasury's local government threshold means that there is a risk the NAO WGA team might require some assurances from auditors of bodies below the threshold. At the date of this report, we had not been informed that the NAO completed their sample for the 2021/22 WGA process, thus the audit completion certificate will not yet be issued for the 2021/22 until the NAO confirmation is received.
Certificate	We cannot issue our certificate at this stage but will be able to issue our certificate once the NAO have confirmed whether there are any additional group audit procedures required as part of the Whole of Government Accounts submission.



Audit of the financial statements

Key findings

The Narrative Statement and Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 25 January 2024, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 29 November 2023 Audit & Governance Committee meeting and also provided a substantive verbal update at the latest meeting of the Audit & Governance Committee on 10 January 2024. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan. We reported 1 internal control recommendations and 1 area for improvement in the control environment in the Audit Results Report.

Significant risk	Conclusion
Valuation of land and buildings and investment property	<p>We confirmed that the Authority's valuers are members of RICS and registered valuers. We reviewed the instructions provided to the valuer against the requirements of the Code and IFRS and found no issues. No matters were identified in respect of the objectivity, competence or independence of the valuers.</p> <p>For a sample of assets we assessed whether the valuation basis was appropriate and whether the assumptions used were supportable and reperformed the valuers' calculations.</p> <p>We challenged the information provided by the valuer as management's expert.</p> <p>We also considered the potential impact of assets not revalued in year, and whether this could lead to a material misstatement of the closing asset valuation. No material issues were noted from this review.</p> <p>We:</p> <ul style="list-style-type: none">▸ considered the competence, capability and objectivity of the Council's valuers;▸ considered the scope of the valuers' work;▸ ensured Land & Buildings assets have been revalued within a 5 year rolling programme as required by the Code;▸ ensured Investment Property assets had been annually revalued as required by the Code;▸ considered if there were any specific changes to assets that should have been communicated to the valuer(s);▸ ensured that it was appropriate that no disclosure needed to be made in the accounts in relation to any valuation uncertainty; <p>Our internal valuation specialists reviewed a sample of assets valued by the Council's external valuer. All assets sampled were within an acceptable range with the exception of one asset. This one asset, valued under a depreciation replacement cost (DRC) approach, was deemed to be outside of an acceptable range, due to a difference in professional judgment on the obsolescence factor used in the valuation. The difference was deemed to be below an accepted range. In addition, when extrapolated across assets of a similar nature the error was also within an accepted range.</p> <p>The audit team also completed testing of a sample of assets. No material issues were noted from this review. The audit team assessed key assumptions and inputs and noted no material issues. The valuation of land and buildings was agreed to the valuers report with no material exceptions noted. Journal postings were also verified.</p>



Audit of the financial statements (continued)

Significant risk	Conclusion
Incorrect capitalisation of revenue expenditure	<p>Our testing is complete.</p> <p>We have not identified any issues with management's accounting policies or practices in relation to opting to finance expenditure from capital sources.</p> <p>Capital expenditure in relation to Investment is not material, therefore we focused our testing on property, plant and equipment capital additions and also Revenue Expenditure Financed from Capital Under Statute (REFCUS) capital additions.</p> <p>Our testing of capital additions did not identify any instances where expenditure had been inappropriately capitalised. However, we have identified some cut off issues between 2020/21 and 2021/22. These cut-off issues have been reported in the Audit Results Report as uncorrected non-material differences.</p>
Valuation of defined benefit pension scheme	<p>Our testing for the defined pension liability was completed satisfactorily.</p> <p>We received the IAS 19 Assurance Letter from the auditor of the Oxfordshire Pension Fund.</p> <p>We used our internal specialists to assess the acceptability of the Scheme's liability for disclosures as at 31 March 2022.</p> <p>These were independently assessed as being within an acceptable range of <0.2%.</p> <p>We have reviewed the updated IAS 19 calculation as a results of the triennial valuation as at March 2022 and have concluded that this is not materially different from the original IAS 19 liability calculation used to produce the draft financial statements Therefore no update was required to the accounts in respect of IAS 19.</p>

We did not identify any risks of significant weaknesses in the Council's VFM arrangements for 2021/22.

Page 17
Our VFM commentary highlights relevant issues for the Council and the wider public.

We have no matters to report by exception in the audit report

Scope

We are required to report on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to the 29 November 2023 Audit & Governance Committee meeting which was based on a combination of our cumulative audit knowledge and experience, our review of Council committee reports, meetings with the Chief Financial Officer and evaluation of associated documentation through our regular engagement with Council management and the finance team

Reporting

We completed our risk assessment procedures in and did not identify any significant weaknesses in the Council's VFM arrangements. We have also not identified any significant risks during the course of our audit. As a result, we had no matters to report by exception in the audit report on the financial statements.

Our commentary for 2021/22 is set out over pages 09 to 27. The commentary on these pages summarises our conclusions over the arrangements at the Council in relation to our reporting criteria (see below) throughout 2021/22. Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Annual Auditors Report and have been updated for 2021/22.

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weaknesses identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weaknesses identified

Appendices

Page 180

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

Findings

Regarding financial planning, the Council is working to refine budgets and the Medium Term Financial Strategy (MTFS) to respond to cost pressures as they emerge, and we recognise that effective financial planning remains difficult due to continuing uncertainties in the funding that will be made available to councils. There was a £3.0m underspend to the directorate budgets in 21/22, and a £1.6m underspend against budgets held centrally. As part of the budget setting process, a £5.6m contingency had been created to offset the risk of overspends occurring within demand led budgets. At year end, against the revised budget of £2.2m, £2.2m was unallocated.

The MTFP for financial year 21/22 was presented to cabinet in February 2021. Whilst the 2021/22 budget is balanced, there was a significant gap between estimated spend and funding streams for 2022/23. This was solely due to the uncertainty of funding under the new fair funding formula and as a result of the next spending review. There are risks in the budget largely in relation to the demand led budgets in children's social care, high needs and special educational needs home to school transport which are all under significant pressure in the current financial year. There is also a range of pressures and uncertainties in adult social care, particularly in relation to growing complexity of need and the potential consequences of pressures on the health system. To help mitigate these risks, a contingency budget of £5.6m was built into the budget in 2021/22, which will provide some degree of a safety net for the Council.

We have noted the latest performance report from January 2022, presented at Cabinet on 15rd March. The 2021/22 budget includes planned directorate savings of £16.1m. £13.0m or 81% are expected to be delivered by year end and the remaining £3.1m or 19% are rated amber. £2.9m of this total relates to savings in Adult Social Care. This includes savings of £2.0m to be achieved through reducing demand pressures in the pools by 1% as well as savings anticipated to be achieved through reducing the use of residential beds. The process to maintain the savings related to the reduction in demand was on-going as at the end of January 2022 so this is continuing to be shown as amber. Savings related to reducing the use of residential beds are also rated amber.

The Council's MTFP for 22/23 allows for indicative budgets for 22/23 and the following three years until 2025/26 have allowed for best estimates of the total financial envelope over the medium term taking into account anticipated unavoidable pressures plus investments and the savings then required to match the funding available. The Council is notified of Central Government Funding via the Local Government Finance Settlement and these grants are reflected in the MTFP for 22/23. Beyond 22/23, there is no certainty of the funding in terms of local government finance and due to this several assumptions have to be made for the years succeeding 2022/23. Whilst the 2022/23 budget is balanced, there remains a gap between estimated spend and funding streams for 2022/23, this is in line with previous years and it largely due to the funding uncertainty which does not become clear until the Local Government Finance Settlement is released.

Based on the financial management update above, we believe that the Council manages significant financial pressures effectively.

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body plans to bridge its funding gaps and identifies achievable savings	<p>The initial MTFS had significant gaps of up to £21m between the period 2022/23 to 2025/22 due to the uncertainty of funding pending the next spending review and business rates review. The shortfall will be reviewed once the outcomes of these are known. A follow up to this has been reviewed in February 2022 to address the new funding information, the budget shortfall has been reduced to £13.8m. In 20/21 a new reserve has been set up (the Covid-19 Reserve) to fund the budget shortfall and is made up of government grant, surplus on the CT Collection Fund position and allocation for Local Council Tax Support. At the end of 2020/21, the Council had incurred COVID-19 costs of £68.9m and is expected to incur costs of £49.7m during 2021/22. This leaves a balance of £23.4m for use in 2022/23 and beyond, held in the COVID-19 reserve. £20.2m of this funding is proposed to be used to meet short to medium term pressures from 2022/23 to 2025/26 leaving an uncommitted balance of £3.3m available for unplanned or unexpected costs.</p> <p>Outlook on Savings Programme:</p> <p>Tracking against savings targets is monitored as part of the performance reports that are presented at cabinet. The latest report presented in January 2022 shows how the Authority is tracking against the savings targets set out in the MTFP. "The 2021/22 budget includes planned directorate savings of £16.1m. £13.0m or 81% are expected to be delivered by year end and the remaining £3.1m or 19% are rated amber. £2.9m of this total relates to savings in Adult Social Care. This includes savings of £2.0m to be achieved through reducing demand pressures in the pools by 1% as well as savings anticipated to be achieved through reducing the use of residential beds. The process to maintain the savings related to the reduction in demand was on-going as at the end of January 2022 so this is continuing to be shown as amber. Savings related to reducing the use of residential beds are also rated amber. However, the forecast spend across the pools is expected to be managed within the funding available."</p>

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>We obtained correspondence from the Leader of the Council setting out the Council's lead role in the Oxfordshire health, public health and care system, the report largely relates to actions in respect of care homes for older people. The position statement sets out the Council's vision for 2019 onwards and set outs the current provisions of services and how these are expected to change in the future based on expected changes in demand. This shows that the Council is forward looking on what the future service delivery is likely to be required and enables these to be planned into future budgets. This is also evident from the Feb 2022 budget updates where funding shortfall has been partially addressed and the Council has identified savings to ensure financial planning is appropriate while also identifying an increase in demand-led services.</p> <p>We also looked at Corporate Plan 2022-2025, this is the detailed report setting out its 'Strategic Plan 2022-25' plan it is in the process of implementing to improve the governance arrangements of the Council. The intention of the plan is to bring together the Council's policy, business and financial planning and risk management. It is hoped it will be the vehicle for the County Council's decision making and planning to improve the use of the resources available, understanding the value for money the Council delivers and focused on its priority outcomes. The plan was taken to Cabinet on the same date that the medium-term financial plan was presented, this ensures alignments between the Corporate plan and the annual budget setting process.</p> <p>As well as holding a contingency budget, general balances are also held to ensure that a major incident or emergency can be managed without impacting on other services. In reaching the decision on the level of balances the S151 feels are appropriate to be held for 2022/23, they have considered the strategic, operational and financial risks facing the authority including the ability to deliver planned savings, as well as external risks such as the impact of flooding. The recommended level of balances for 2022/23, based on the risk assessment was £28.9m.</p>

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	<p>OCC ensures that the plans are consistent with other areas as noted in the budgets where changes have been made to adapt to C-19 pressures and demand-led areas (social care, children's needs'). We have also noted that the focus is on improved service delivery. OCC created a new counter-fraud team (under joint working with Cherwell) and is in place since April 21 to ensure money spent is appropriately and any instances of irregularity is spotted/prevented.</p> <p>Working with partners Joint working with Cherwell DC – the main impact of this is shared management. The joint Chief Exec is the former chief exec of Cherwell DC. There is a shared monitoring officer.</p> <p>Both of these are evidence that the Council is responding to the environment and is proactively managing progress towards sustainability.</p> <p>The joint working arrangements with Cherwell District Council were presented to Cabinet on 8th June 2018. At the meeting the following recommendations from the report were agreed:</p> <ul style="list-style-type: none"> - To the principle of implementing joint working arrangements with Cherwell District Council; - That the guiding principles set out in paragraph 13 should apply in the development of joint working arrangements; - To establish a joint Chief Executive post with Cherwell District Council; and - To the establishment of a member led Partnership Working Group. <p>The conclusion of a s113 Agreement with Cherwell District Council to the Director of Law and Governance, in consultation with the Leader;</p> <ul style="list-style-type: none"> • The agreement with Cherwell District Council to Terms of Reference of the Partnership Working Group to the Director of Law and Governance, in consultation with the Leader. <p>Notice to terminate this arrangement was given in February 2022, with a final date of August 2022, the arrangement was therefore still in place for the entire financial year.</p>

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	<p>It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant risks to the authority. This should include the proactive participation of all those associated with planning and delivering services and to ensure the authority remains financially resilient and sustainable.</p> <p>The Council is the ultimate decision-making body from which all other elements in the structure derive their authority. The Council determines the policy framework within which the Council Executive operates.</p> <p>The Council Cabinet is responsible for most of the decisions taken on the Council's behalf.</p> <p>The Council has appointed three Scrutiny Committees (Education Scrutiny, Performance Scrutiny and Oxfordshire Joint Health Overview) to review and/or scrutinise decisions made or actions taken by the Council Executive and to scrutinise generally the performance of the Council's services. Scrutiny arrangements are to be reviewed in developing the Council's new Constitution and in the light of emerging statutory guidance.</p> <p>We note that from the review of Minutes which includes the Performance Scrutiny Committee, Audit Committee, Cabinet and County Council meetings that OCC maintains a risk register. The Risk register is presented to the various committee during every meeting and updated accordingly.</p> <p>The risks are consistent with our broader expectation and consider the service level of impacts of both the Adult's, Children's and FRS inspections, and the wider corporate failings which have been updated and amended based on the latest reports received. We also note the risk around the Council's projected in-year overspend, which we consider further as part of the financial resilience and sustainability 'key financial and budget monitoring information'.</p> <p>Any changes to demands are managed through regular budget monitoring and the corporate contingency budget alongwith also utilizing underspends in other areas. OCC also hold a healthy balance of investments although this is held with a long-term view, these are available where needed.</p>

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Findings

The Council's budget is refreshed annually to match its strategic aims and align to strategic priorities and risks. The Business Management and Monitoring report outlines the actions being undertaken by the Council to provide assurance that risks are being mitigated to an acceptable level.

The Business Management and Monitoring report is supported by a risk register. The risks assessed are wider than just financial, due to the nature of the Council's activities. The Council assesses impact of risks on a matrix of likelihood of occurrence and potential impact upon the Council, with a combined score produced to assess the importance of the risk. The Council has a Risk and Opportunities Management Strategy which contains the risk appetite statement that defines acceptable levels of risk for its activities.

The Council has an internal audit service to help gain assurance over the effective operation of internal controls. It also has a Counter Fraud Team as part of its Counter Fraud Strategy and Plan to prevent and detect fraud. Quarterly reports are received from the internal auditors highlighting their work carried out including a breakdown of fraud investigations with any significant issues included in summary format. Cases of alleged or proven incidents of fraud are investigated or tracked by internal audit and reported to the Audit & Governance Committee.

The Chief Executive is responsible for the adequate provision of Internal audit and counter fraud with oversight from the Audit & Governance Committee. The Council management is responsible for responding to the internal audit and counter fraud findings appropriately and in a timely manner with appropriate challenge from the Audit & Governance Committee.

The Counter Fraud Strategy and related policies (including the Bribery Act Policy) are regularly reviewed and have been approved by the Audit & Governance Committee. The County Council fully participate in the National Fraud Initiative with results notified to the Audit & Governance Committee through the Chief Internal Auditors Annual Report and Opinion.

Financial regulations and procedures have been developed and are kept under review to ensure they provide an effective control framework. Compliance is monitored through appropriate review by service managers and finance staff together with independent review by internal audit.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body approaches and carries out its annual budget setting process

Findings

The Annual Budget process including the responsibilities and procedures in the annual budget process is set out within the Constitution of the Council within Part 8.2 Procedure Rules. See [Financial Procedure Rules \(oxfordshire.gov.uk\)](https://www.oxfordshire.gov.uk/financial-procedure-rules). This was updated in March 2020. The Council's arrangements in setting the annual budget is the following:

The Council approves or adopts the policy framework which sets out the council's service delivery plans, including the Corporate Plan and in addition approves or adopts the annual budget, as set out in Part 3.2 of the Constitution.

The Cabinet is responsible for making sure that there is effective financial planning within the council. This includes preparing proposals for the budget, which should take account of the views of the public, local stakeholders and the council's Performance Scrutiny Committee. This process is set out in detail in Part 3.2 of the Constitution.

The Director of Finance is authorised to undertake the administration of the financial affairs of the council, this includes the responsibility to ensure the proper administration of the financial affairs of the Council, to set the financial management standards and to monitor compliance with them, issue and keep under review Financial Regulations under these Rules which councillors, officers and agents of the council are required to follow. Ensure that financial systems and procedures are in place to provide financial information to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators. Ensure the preparation of the council's statement of accounts, in accordance with proper practices, for each financial year ending 31 March and put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with the law.

Directors are required to promote sound financial practices in relation to the standards, performance and development of staff in their directorates. This includes a clear delegation framework to Deputy Directors, Heads of Service and Budget holders. Operate the Budget Management Arrangements as detailed by the Director of Finance and in accordance with guidelines approved by Full Council; and maintain budgetary control within their services.

We have obtained the Budget for the current year 21/22 and 22/23 and we note that the Budget was considered by the Cabinet, before submission to the County Council. We also note that through the review of the Budget Process that the Performance Scrutiny Committee considered strategic issues relating to the Budget including comments on individual portfolios. We note that from the review of the Budget Setting process, the Budget was firstly recommended by the Performance Scrutiny Committee for approval by the Cabinet before the Budget for 21/233 and 22/23 was recommended for approval by the County Council as per the above processes and arrangements contained in the Council's Constitution.

We are therefore satisfied that the above arrangement is in place at OCC as the Budget for 21/22 was approved by the County Council on 9 February 2021.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Findings

We note that within the Constitution of the Council there are processes and procedures in place to ensure the body have effective processes and systems in place to ensure budgetary control, to communicate relevant, accurate and timely management information; to support its statutory financial reporting requirements and to ensure the body is taking corrective action where needed, this is documented within Part 8 Section 2 Financial Procedure Rules and is set out in section 6 above:

We note that from the review of the Minutes the following arrangements are in place. The Director of Finance (Lorna Baxter) reports to the Cabinet on regular basis as part of an overall performance management reporting process and this is included with the monthly budget monitoring of the Council. The monitoring report includes the actual expenditure against the budget and monitors the expenditure. This furthermore includes financial and performance reporting with areas identified that needs corrective action based on the overspending incurred during the year and how the Council can implement corrective action/savings to reduce the overspending. The budget monitoring report is reported monthly to Cabinet. We note that corrective action is taken where needed, as we saw with virements between directorates to support amendments to the budget due to demand led services, there was also a continued but smaller impact of Covid-19 costs in year.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

Findings

All Council decisions are made in accordance with the Council's Constitution including the Council's Financial Regulations.

The Constitution includes the roles and responsibilities of the Cabinet, Committees, Full Council and Chief Officers and the rules under which they operate. In particular how decisions are made and how procedures are to be followed to ensure that actions are efficient, legal, transparent and accountable to the community. Many of these processes are required by statute, while the Council has determined others locally. Please refer to part 2 of the Financial Regulations, which sets out the roles and responsibilities for each of the Council /Committees and executive staff (including s151 and monitoring officer).

Executive decisions are made by the Executive Body being the Leader and Cabinet, within the overall policy and budgetary framework approved by Full Council. Any decisions the Cabinet wishes to take outside of the framework must be referred to Full Council to decide. Scrutiny committees monitor the work of the Executive Body.

There is an effective and appropriate organisational structure at the officer level. Please see the council's website for a high-level overview of senior managers and directorates [Senior managers at Oxfordshire County Council | Oxfordshire County Council](#)

During our review of documentation as well as meeting with Internal Audit, we noted that there are weaknesses in the Council's procurement process however these were identified and actioned in year. Following challenge from the Chief Exec, an independent review was also undertaken to draw up an action plan to improve the process. See point 13 below.

The council have a clear organization structure and clearly defined assignment of authority/ authorization.

- Management engages in communications so that personnel understand the entity's objectives, their role in relation to these objectives, and how they are held accountable for the achievement of these objectives.

Management communicates with staff through established means of communication, such as regular email briefings and access to Council's intranet.

The vision, corporate plan, service level plans, and individual level objectives are designed to be aligned to ensure each staff member understands how their role fits into the larger Council's vision and goals. These documents (excluding individual level objectives) are available on both the extranet and intranet.

The achievement of objectives is monitored through employee performance reviews.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee (continued)

Findings

- There are appropriate methods for establishing authority, responsibility and lines of reporting.

This is set out in the Council's constitution and the Financial Regulations documents.

The Council is the ultimate decision-making body from which all other elements in the structure derive their authority. The Council determines the policy framework within which the Council Executive operates.

The Council Executive is responsible for most of the decisions taken on the Council's behalf.

The Council has appointed three Scrutiny Committees (Education Scrutiny, Performance Scrutiny and Oxfordshire Joint Health Overview) to review and/or scrutinise decisions made or actions taken by the Council Executive and to scrutinise generally the performance of the Council's services. Scrutiny arrangements are to be reviewed in developing the Council's new Constitution and in the light of emerging statutory guidance.

The Planning and Regulation Committee is responsible for determination of planning applications, listed building and conservation area consents, control of advertisements, planning enforcement and for a whole host of other functions under the Town and Country Planning Acts. The committee is also responsible for the application and enforcement of the Building Regulations and for street naming and numbering.

The Standards Committee's role is to promote and maintain high standards of conduct by councillors and co-opted members. The Committee will also be responsible the overview of the whistle blowing policy, overview of complaints handling and Ombudsman investigations and oversight of the Council's Constitution.

Audit and Governance Committee:

Through our attendance at the quarterly meetings of the Audit and Governance Committee, we have observed that those charged with governance provide adequate oversight over the entity's external financial reporting and related internal control.

The Audit and Governance Committee receives reports from both external and internal audit, and the minutes of the Audit and Governance Committee demonstrate that effective action is taken where issues of non-compliance have been identified. Please see our minute review in task "Read minutes of meetings of shareholders, those charged with governance and important committees".

The Audit and Governance Committee has audit focused terms of reference and in accordance with CIPFA/SOLACE guidance the Chairman of the Audit and Governance Committee is not a member of the Executive.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria	Findings
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee (continued)	<p>Responsibility for overseeing Corporate Governance is formally delegated and documented through the Financial Regulations which is an element of the overall Council Constitution. The terms of reference for the Audit and Governance Committee are contained within these regulations.</p> <p>From our attendance of the Audit & Governance committee we have observed that:</p> <ul style="list-style-type: none">• They provide effective oversight of the entity's external financial reporting and internal control over financial reporting.• There is an open line of communication with external and internal auditors and the nature and frequency of communication is appropriate given the size and complexity of the entity.• They have sufficient knowledge, experience and time to perform their role effectively and have received training from monitoring officer, finance, IA and external audit regarding their roles and responsibilities• They are appropriately independent of management given the size and complexity of the entity.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Findings

Oxfordshire County Council has a code of conduct that is communicated and monitored via the Code of Conduct. The handbook includes policies regarding ethics and behavioural standards for employees and it is well communicated to the stakeholders of the business and is available on the Council's intranet. All staff are provided with a copy of the policy when joining and are required to read and sign up to the code of conduct/employee handbook. Management takes appropriate action in response to departures from approved policies and procedures or the code of conduct. The relevant processes are set out in the code of conduct/employee handbook.

A review of internal controls is performed by internal audit and communicated to management on a yearly basis. Additionally, as part of the annual governance statement, a review of the system of internal control is in place and assurance over internal controls is provided by each Head of Service. An assurance checklist is used for this exercise.

Attendance of the Audit and Governance Committee and a review of minutes confirm Those Charged With Governance receive reports from both external and internal audit. The minutes also confirm that effective action is taken where issues of non-compliance have been identified.

External sources of assurance include the annual audit report and value for money conclusion by the external auditor. These reports are subject to consideration by senior management and Members of the Council and appropriate response to any recommendations for improvements are agreed. The reports are published on the council's website and the responses from the Audit and Governance committee are included in the committee papers available online.

Responsibility for overseeing Corporate Governance is formally delegated and documented through the Constitution to the Audit and Governance Committee and its terms of reference are contained within the Constitution. The Audit and Governance Committee has audit focused terms of reference and in accordance with CIPFA/SOLACE guidance, the Chairman of the Audit Committee is not a member of the Executive.

The monitoring officer is responsible for ensuring that the authority complies with all applicable laws and is involved in providing an opinion on all decisions that are made by the authority and its various committees as to whether there is an issue with non-compliance. There have been no instances of non-compliance with laws and regulations that we have become aware of in the past year.

We confirmed through enquiry with management and those charged with governance that there have been no instances of non-compliance with laws and regulations that have been noted during 21/22.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)
(continued)

Findings

The Council maintains a Register of interest for each Councillor on their website.

We note furthermore as part of our minute review that there is a standing agenda item pertaining to any conflict of interest declarations that is needed to be made by the members or officers. Furthermore, the Officers and Members of the Council needs to submit an annual declaration of interest which is in line with the Gift and Conflict of Interest policy of the Council.

We note that from CAKE there is an annual process by which the authority requests declaration of interests from both Councillors and Senior Officers to identify related party disclosures required as part of the annual accounts.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	<p>Corporate Plan 2022-2025:</p> <p>This is the detailed report setting out its strategic plan it is in the process of implementing to improve the governance arrangements of the Council. The intention of the Corporate Plan is to bring together the Council's policy, business and financial planning and risk management. It is hoped it will be the vehicle for the County Council's decision making and planning to improve the use of the resources available, understanding the value for money the Council delivers and focused on its priority outcomes.</p> <p>The Plan is supported by an Outcome Framework for corporate reporting for 21-22, this includes KPI's which is used to monitor the performance of the Council for the key priority areas. The KPI dashboard is discussed during the monthly and quarterly cabinet and council meetings. The dashboard is used to identify areas of improvement is required and to identify key areas of improvement that needs to prioritized. -</p> <p>The Performance Scrutiny Committee is responsible for the reporting of the performance against the KPI and to ensure effective and efficient mitigated actions is actioned for areas that is not performing against the targets set as per the Corporate Plan. The committee identifies areas that is lacking performance and suggest actions that needs to be adopted to ensure the performance of the KPI. This is also reported on the website of the Council.</p> <p><u>The Performance dashboard is based on the following key priorities of the Council:</u></p> <p>We strive to give every child a good start in life and protect everyone from neglect</p> <p>We enable older and disabled people to live independently and care for those in greatest need.</p> <p>We tackle inequality, help people live safe and healthy lives and and enable everyone to play an active part in their community</p> <p>We provide services that enhance quality of life and we take action to reduce the impact of climate change and protect the local environment.</p> <p>We support a thriving and inclusive local economy that recovers strongly from the COVID crises.</p> <p>We listen to our diverse residents so we can continuously improve our services and provide value for money.</p>

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How the body evaluates the services it provides to assess performance and identify areas for improvement	<p>Within this form we have documented various considerations of how the Council evaluates the service and identify areas of improvement. These include the review of the Corporate Risk Register, Budget monitoring reports and External Inspections.</p> <p>The Council continues to monitor and review their 'Thriving Communities' and MTFP to ensure that the plan and KPI's is aligned to the changing environment especially given the uncertainties caused by COVID-19. This furthermore enables the Council to identify services that is not performing as per expected targets according to their embedded priorities as per their 'Reset Plan'. This also enables the Council to ensure that actions is implemented to ensure the continuation of delivering of Services.</p>
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	<p>Joint working with Cherwell-Discussed in section previously above</p> <p><u>Oxfordshire Local Enterprise Partnership (LEP)</u> The Council acts as the Accountable Officer for the Oxfordshire LEP (LEP). The LEP's purpose is to inspire and collaborate to deliver economic opportunities for the communities of Oxfordshire. The LEP brings together representatives from academia, business and the public sector across Oxfordshire.</p> <p><u>Integrated Business Centre</u> The Council is a formal partner in the Integrated Business Centre (IBC) hosted by Hampshire County Council. The Council joined in 2014/15 as the first operational partner for the provision of shared financial and HR services. The service offered by the IBC are HR Services including Payroll, Finance Services, Purchase to Pay Services.</p> <p>The Council is formally represented on the performance board of the IBC. Performance is formally reviewed on a quarterly basis, and this includes a range of Performance Measures, overlaid by comprehensive service performance reports, and agreed actions to drive continued collective performance improvement. The IBC also provides an ISAE 3402 Type 2 report in relation to the control environment. This allows OCC to monitor the control environment and follow up on any control weaknesses noted.</p> <p><u>National Health Service Section 75 Pooled Budgets</u> During 2021/22 the Council had two pooled budgets with Oxfordshire Clinical Commissioning Group and one with Oxford Health NHS Foundation Trust. The pooled budgets operate to provide better outcomes for patients within Oxfordshire and ensure that the resources in place are best utilised for maximum impact.</p>

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve (continued)	<p>Oxfordshire Growth Board</p> <p>The Growth Board became the Future Oxfordshire Partnership from July 2021.</p> <p>The Future Oxfordshire Partnership is a joint committee of the six councils of Oxfordshire together with key strategic partners working together to deliver a better future for the county.</p> <p>The partnership's purpose is to deliver the bold aims of the <u>Strategic Vision</u> which all six councils have adopted. It will:</p> <ul style="list-style-type: none"> • Coordinate local efforts to manage economic, housing and infrastructure development in a way that is inclusive and maximises local social and environmental benefits; • Support the development of local planning policy that meets the UK Government's stated aim of net zero carbon by 2050, and contributes towards biodiversity gain whilst embracing the changes needed for a low carbon world; and, • Seek to secure funding in the pursuit of these aims and oversee the delivery of related work programmes delegated to it by the joint committee's constituent local authority members. <p>It does this by overseeing the delivery of projects that the councils of Oxfordshire are seeking to deliver collaboratively in the fields of economic development and strategic planning. This cooperation has helped Oxfordshire to secure over £500m of additional investment, such as through the City Deal, Housing and Growth Deal, Housing Infrastructure Fund and the Oxfordshire Rail Connectivity Study. The Future Oxfordshire Partnership also has an important role in representing Oxfordshire on matters of regional interest.</p> <p>The Partnership meets six times each year to discuss issues facing Oxfordshire's future, most often in a non-decision-making capacity. It is supported by four Advisory Sub-Groups (Infrastructure, Environment, and Housing, with a fourth – Planning – in development), a Scrutiny Panel and a small team of officers who are tasked with delivering on elements of the Partnership's work programme.</p>

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
<p>How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits</p>	<p>Within the Constitution of the Council in Part 8, Section 3 it sets out the procurement and contracts procedures. This includes the procedures and statutory requirements in terms of the procurement of services.</p> <p>Marston Holdings Ltd Settlement In June 2019, Marston Holdings Ltd, alleged that the procurement of the parking enforcement contract had been undertaken contrary to the procurement regulations (Public Contracts Regulations 2015). The initiation of proceedings effectively barred the Council from awarding the contract. The Council countered proceedings in order to lift the stay whilst making an urgent application for the progression of the case. The application to lift the stay was expedited by the Court and considered on 7 August 2019. Counsel identified the Council's chances of success in defending the challenge as being poor and that Marston Holdings Ltd chances of success were in the region of 75% - 85%. A complex negotiation process was undertaken by the parties in preparation for a costs hearing before the Court. The Council in preparation for a costs hearing presented detailed points of dispute, which together with a robust negotiation strategy, ensured that the original costs claim was significantly reduced. The relevant Portfolio Holder was kept fully informed throughout this process. As a result of the Council's decision to settle the case, the Council also became liable for the legal costs incurred by Marston Holdings Ltd in bringing the claim. The original bill of costs identified a cost claim of £649,972.05 which was in the opinion of the cost draftsman instructed, excessive and without merit. On advice of Counsel and in consultation with the relevant Portfolio Holders a final settlement figure was agreed. The total cost to the Council including internal costs/staff time was £1,607,338.57.</p> <p>An external investigator was recommended by Bevan Brittan and is an experienced and recognised investigator used by the LGA. The individual was selected on the basis of their experience investigating serious issues and senior and statutory officers in both the local government and health sectors. The use of this approach was instigated by the Chief Executive following an internal fact-finding review where it was clear that the complexity and seriousness of the issue warranted independent investigation and a recognition that disciplinary investigations could be taken as a result of its findings. The investigation included within its terms, the engagement of staff who have left the organisation, staff who had been employed on temporary or agency terms and members of staff currently employed. Contacting and interviewing individuals who had left the organisation was an important element of the review, and the commissioning officer recognised and accepted that this would add time to the investigation, especially given that the investigation was commissioned just prior to the first lockdown and was undertaken during lockdown.</p> <p>Following receipt of external legal opinion, the report made a number of recommendations which have been translated into a management response and action plan.</p>

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
<p>How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits (continued)</p>	<p>Following receipt of external legal opinion, the report made a number of recommendations which have been translated into a management response and action plan.</p> <p>Procurement and Contract Management Review and Improvements</p> <ul style="list-style-type: none"> - Service structure & recruitment: As part of the Provision Cycle programme, a full review and fundamental redesign of the service has been undertaken. This includes increased capacity in a central procurement hub to oversee and develop a strong procurement service. The new hub structure went live on 4th January 2021 and strong working relationships are already being built between Category specialists and senior management in service areas. - A new permanent Head of Procurement and Contract Management starts in March. Recruitment continues to complete the full structure, with some key appointments made through February. Very targeted recruitment for remaining unfilled roles continues. - Enhanced senior oversight: The service redesign includes enhanced capacity at the senior level to manage and lead the service. The permanent procurement lead will report directly to the Director of Law and Governance. Heads of Category for each service area, have begun work with senior management to ensure the revised procurement processes are embedded in service areas and across the procurement hub. A number of reports will be run on a systematic basis, to provide CEDR with oversight of procurement activity across OCC and CDC, and to support the management of risk. - Briefing of Portfolio Holders (interface with members): All Corporate Directors meet at least fortnightly with relevant portfolio holders to fully brief them on current and emerging issues affecting their directorate. In addition, regular meetings with the Cabinet and Political Group Leaders are held to ensure members are kept fully informed. - Training & Processes: In Autumn 2019, Counsel provided further training to procurement officers. This training addressed the procurement process, the need to keep evidence and the failing of the procurement exercise in the Marston Holdings Ltd case. Directly responding to the issues within this case - All procurement and contract management processes have been reviewed and ‘remapped’ at workshops run by our Business Improvement Team. These workshops included procurement specialists and staff from service areas. Not only did they serve as the forum to ensure processes are accurately defined, but as excellent engagement events for staff who will be using the new processes.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
<p>How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits (continued)</p>	<p>A procurement Handbook has been produced in collaboration with PwC, which will be used as the key source of guidance for procurement staff and staff in service areas, conducting procurement activity. A number of 'Introduction to the Provision Cycle' workshops took place in January, providing staff with information on the new structure and the Handbook. 67 members of staff took part in these workshops and procurement Category Managers are also briefing staff at team meetings. Service area input on the Handbook has been received and integrated into a final version. Alongside targeted written communications, engagement with staff is going extremely well and a single, user-friendly source of guidance is welcomed.</p> <ul style="list-style-type: none"> - A new Competency and Training Framework will be used with staff to identify any skills gaps and put in place the necessary training. Workshops are due to run with staff in March, alongside newly recruited staff to the Health, Education and Social Care (HESC) commissioning structure. - New on-boarding material has been produced for new recruits joining the services, to ensure they understand the revised processes from day 1. - Behaviours & Culture: Key behaviours for procurement and commissioning activity, have been agreed for the new Procurement Hub and the Health, Education and Social Care (HESC) commissioning service. These behaviours have been communicated to staff during briefings and used as criteria in the application and interview process. They will continue to be used as ongoing objectives for both services, and success measured on an individual and team basis. - Third Party Spend Programme: in collaboration with PwC, a third party spend programme is being undertaken. The overall programme aims to produce a single view of 3rd party savings opportunities, including those already in flow or planned in the service areas, and new opportunities. The outputs will include a single, coherent plan, allowing Category Managers to support the work collaboratively with service areas. - Category managers are currently meeting with Service Managers to review opportunities. Detailed baselining has commenced with service areas to identify opportunities to reduce third party spend, now and in future years - Implementing best practice Procurement & Contract Management (including management of tail and off-contract spend) within service areas, will enable us to start making savings in the shorter-term

We have confirmed through enquiry with management that these improvements to the procurement process were still in place for 21/22 and therefore we have not identified a risk of material weakness in 21/22.

Appendix B – Fees

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its directors and senior management and its affiliates, including all services provided by us and our network to the Council, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 01 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the fees that you have paid to us in the year ended 31 March 2022 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are shown below. Further detail of all fees has been provided to the Audit and Accounts Committee with measurement against pre-approved limits.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

We confirm that we have not undertaken non-audit work.

Appendix B – Fees

Fees

We carried out our audit of the Council financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit significant risks and certain areas of audit focus. As a result, we will discuss an associated additional fee with the Executive Director of Resources (Section 151 Officer) and will submit the proposed fee for approval by PSAA Ltd.

Our fee for 2021/22 is in line with the audit fee agreed and reported in our 2021/22 Annual Results Report.

Description	Final Fee 2021/22 £	Planned Fee 2021/22 £	Final Fee 2020/21 £
Total Audit Fee - Code work	145,200*	145,200*	145,200*
Additional Fee	TBC		169,860***
Other Objection - 2015/16	-	-	27,225
Other Objection - 2016/17	-	-	19,998
Total Audit Fees	Note***	145,200*	144,391
Non-audit work (Teacher's Pensions Certification)	14,000**	14,000**	13,500**
Total non-audit services	14,000	14,000	13,500
Total fees	Note***	Note***	157,391

(*) The scale fee for 2020/21 and 2021/22 is set by PSAA as indicative and does not reflect the actual costs of undertaking the audit, to address all risks identified and to meet current regulatory standards.. In our planning report, we included an estimate of the fee of £145,200 to reflect those underlying costs.

(**) The 2021/22 work on the Teacher's Pension certification has been completed.

(***) During 2020/21 we incurred additional costs in addressing the increased risks associated with C 19, including asset valuations and the impact on the going concern assessment. Our work on asset valuations identified 66 assets which needed to be re-stated for 3 years due to issues with the obsolescence assumption. We also experienced significant delays due to key changes in the finance team which cumulatively delayed the audit and resulted in significant inefficiency and delay. We have discussed and submitted the proposed additional fee with management and PSAA and are awaiting final determination on the additional fee for 2020/21. Once approved we will communicate the final fee to the Audit & Governance Committee.

In December 2023 PSAA agreed the additional fees in respect of the 2 objections for 2015/16 and 2016/17. These were agreed at the rates noted above.

2021/22 - TBC - Now that the work is completed and reports issued for 2021/22 we will calculate associated additional fees and share these with management and PSAA for consideration.

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Oxfordshire County Council

**Auditor's Annual Report
Year ended 31 March 2021**

25 September 2023

Contents

Section	Page
01 - Executive Summary	02
02 - Purpose and responsibilities	05
03 - Financial statements audit	07
04 - Value for Money	14
05 – Other reporting issues	33
Appendix 1 – Fees	36

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated April 2018)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit & Governance Committee and management of Oxfordshire County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit & Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit & Governance Committee and management of Oxfordshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

A close-up photograph of a woman's face, focusing on her eyes and nose. She has light brown hair and green eyes. A large, bright yellow rectangular overlay covers the left side of the image, partially obscuring her face. The text 'Section 1' and 'Executive Summary' is printed on this yellow area.

Section 1

Executive Summary

Executive Summary: Key conclusions from our 2020/21 audit

Area of work	Conclusion
Opinion on the Council's:	
Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We issued our auditor's report on 25 September 2023
Going concern	We have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the Narrative Statement and other information published with the financial statements	Financial information in the Narrative Statement and published with the financial statements was consistent with the audited accounts.
Consistency of the Pension Fund annual report and other information published with the financial statements	Financial information in the Pension Fund Annual report and published with the financial statements was consistent with the audited accounts.

Area of work	Conclusion
Reports by exception:	
Value for money (VFM)	We had no matters to report by exception on the Council's VFM arrangements. We raised one recommendation in respect of a procurement review which the Council initiated following a settlement by a claimant in a procurement related matter. We have included our VFM commentary in Section 04.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

Outcomes	Conclusion
Issued a report to those charged with governance of the Council communicating the significant findings resulting from our audit.	We issued an Audit Results Report dated 21/09/23 to the Audit & Governance Committee Chair and the Director of Finance. We provided a verbal update at the 20 September Audit & Governance Committee meeting.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice.	We issued our completion certificate on 25 September 2023.

Fees

We carried out our audit of the Council's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the valuation of property, plant and equipment. As a result, we have agreed an associated additional fee with the Chief Finance Officer. We include details of the final audit fees in Appendix 1.

We would like to take this opportunity to thank the Council staff for their assistance during the course of our work.

Maria Grindley

Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities

Purpose and responsibilities

This report summarises our audit work on the 2020/21 financial statements.

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Council or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 26 May 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- If we identify a significant weakness in the Council arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, Narrative Statement and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit

Financial Statement Audit

We have issued an unqualified audit opinion on the Council 2020/21 financial statements.

Key issues

The Annual Report and Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 25 September 2023, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 20 September 2023 Audit & Governance Committee meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
Misstatements due to fraud or error - management override of controls An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	We obtained a full list of the journals posted to the Council's general ledger during the year, and analysed these journals using criteria we set to identify unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation. We tested the accounting estimates most susceptible to bias, being mainly the valuation of land and buildings. We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied. We did not identify any transactions during our audit which appeared unusual or outside the Councils normal course of business.
Inappropriate capitalisation of expenditure Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund.	Our testing is complete. We have not identified any issues with management's accounting policies or practices in relation to opting to finance expenditure from capital sources. Capital expenditure in relation to Investment is not material, therefore we focused our testing on property, plant and equipment capital additions and also Revenue Expenditure Financed from Capital Under Statute (REFCUS) capital additions. Our testing of capital additions is complete and we have identified one instance where expenditure had been inappropriately capitalised due to an overstated accrual.

Continued over.

Financial Statement Audit (continued)

Significant Risk	Conclusion
<p>Valuation of land and buildings</p> <p>Land and buildings is the most significant balance in the Council's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.</p>	<p>As a result of issues identified by our internal valuers with the approach being adopted in respect of obsolescence we requested that a number of assets be revalued. The audit team received the revised valuations and are worked through the updated revaluations. As the error identified in respect of obsolescence in the current year would also be present in prior periods we requested that the 66 assets impacted by the error be revalued and assessed for the relevant earlier periods and corrected via a Prior Period Adjustment. .</p> <p>In addition, we also identified a number of errors in respect of the accounting for care homes. We identified inconsistencies between the source document and the valuations applied. We requested that the valuations be reviewed and re-worked. We have completed the review and confirmed that the final fixed asset register has been updated for the required amendments.</p>
<p>Infrastructure Assets</p> <p>Based on our initial review of the accounting treatment adopted by the Council in this area we were unable to gain assurance that all infrastructure assets accounted for in the financial statements continue to exist. This is because the Council is unable to show that assets, or components of assets, are derecognised from accounting records when they are replaced. Subsequent to this changes have been made to the Local Authority Accounting Code by CIPFA and DLUHC has issued a Statutory Instrument to temporarily change accounting rules in this area. A Local Authority Accounting Panel (LAAP) bulletin has also been issued by CIPFA which covers how infrastructure assets should be depreciated.</p> <p>We have judged this to be a significant risk.</p>	<p>We have reviewed the draft financial statements to identify prima facie whether the Council is recording disposals of infrastructure assets, or components.</p> <p>We made enquiries to understand management's current processes, including bringing forward our knowledge from previous year's audits.</p> <p>We concluded that the revised Infrastructure Assets disclosure and presentation is compliant with the revised Code.</p>

Continued over.

Financial Statement Audit (continued)

In addition to the significant risks above, we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
<p>Going concern disclosures</p> <p>The Council is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Council's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.</p>	<p>We challenged the adequacy of the Councils going concern assessment and its disclosure in the financial statements by:</p> <ul style="list-style-type: none"> Evaluating supporting evidence for indications of bias Reviewing the cashflow forecast Undertaking a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, before drawing our conclusions on going concern. <p>We were satisfied with the adequacy and sufficiency of the final amended disclosures in relation to going concern.</p>
<p>Valuation of defined benefit pension scheme</p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Oxfordshire County Council.</p> <p>The Council's pension liability is a material estimated balance and is required to be disclosed on the Council's balance sheet. At 31 March 2020 this totalled £824.6 million.</p> <p>The information disclosed is based on the IAS 19 report issued by the Pension Fund actuary to the Council. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on its behalf.</p> <p>We are required to undertake procedures on the use of the use of the actuary as management's expert and the assumptions underlying fair value estimates.</p>	<p>We received the IAS 19 Assurance Letter from the auditor of the Oxfordshire Pension Fund. The auditor of Oxfordshire Pension Fund highlighted a correct mis-statement of £12.4 m to increase the value of assets on Oxfordshire Pension Fund. Oxfordshire County Council have an approximate 49% share of the Pension Fund. This corrected mis-statement would therefore represent approximately £6.1 m for the Council. We have communicated this error to officers and officers have confirmed that they will not be making an amendment.</p> <p>We used our internal specialists to assess the acceptability of the Scheme's liability for disclosures as at 31 March 2021. These were independently assessed as being within an acceptable range of <0.5%.</p> <p>We identified an error in the treatment of the Top Up Grant on the Firefighter's Pension Fund. Officers have corrected for this and we have confirmed that the corrected amounts are not material for the Fund and there is no impact on the prior period.</p> <p>We reviewed the details of the 2022 Triennial Valuation against the 2019 Triennial Valuation, we assessed whether there are assumptions or any other matter that would affect the position of the 2019 Triennial Valuation. The 31 March 2021 accounts position is based on a roll forward of the 31 March 2019 triennial actuarial valuation. As full valuations are only done every three years, it is accepted practice to use a roll forward in between valuations. We assessed that the change will not have impact on the 2020/21 financial statements as the assumptions used in the IAS 19 Report are assumptions that are applicable in the current market environment at the reporting date which we have tested and assessed to be reasonable.</p>

Financial Statement Audit (continued)

Other area of audit focus	Conclusion
<p>Accounting for Covid-19 related grant funding</p> <p>The Council received government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in 2020/21.</p>	<p>We considered the Council's judgement on material grants received in relation to whether it is acting as:</p> <ul style="list-style-type: none"> • An Agent, where it has determined that it is acting as an intermediary; or • A Principal, where the Council has determined that it is acting on its own behalf. <p>We:</p> <ul style="list-style-type: none"> • Selected a sample of Covid-19 grants received in year, for each item in our sample we have reviewed the Council's accounting treatment as agent or principal. We sought technical support on the treatment of two grants received in year. • Agreed with the accounting treatment applied by the Council with no issues.
<p>Accounting for Dedicated Schools Grant (DSG)</p> <p>There is a risk that the Council's accounting treatment of the DSG balance will not be in line with the Code, given the recent changes and new guidelines. This would specifically impact on the relevant Balance Sheet and Income and Expenditure assertions specifically Completeness, Existence/Occurrence and Measurement/Valuation.</p>	<p>We reviewed the workings behind DSG reserve; we have sought technical support on the Council's treatment of the DSG deficit. Our technical expert questioned the Council's treatment of the establishment of the new Unusable Reserve from a completeness perspective. Following our challenge officers have agreed to make the correction and account for the full amount within the new Unusable Reserve. Management have provided their workings, these have been reviewed by the audit team and the team have concluded that the DSG usable reserve has correctly been updated in the final accounts.</p>

Financial Statement Audit (continued)

Audit differences

Corrected Differences:

We identified a number of misstatements which management corrected.

We identified two audit mis-statements greater than our performance materiality of £14.934 m.

Through our testing of property, plant and equipment additions we identified a negative manual adjustment to the assets under construction additions balance; on enquiry of management this was the derecognition of academies that have been built by the County and then transferred to the academies on completion. The Council had recognised these costs as REFCUS Expenditure and recorded the disposal in the net cost of services, as the cost related to disposals this should have been recorded in Other Operating Expenditure. The value of this adjustment is £19.89m.

In addition, as a result of our work on valuations the Council have revalued 66 assets across the following categories: Fire Stations, Libraries and various other categories such as offices. This revaluation exercise was as a result of our challenge on the obsolescence factor being applied by the valuer. Following discussions with the valuer a revised methodology was applied to reflect the asset lives of these assets and this resulted in a revised reduction across the 66 assets of approx. £32m. Management requested the valuations to be updated in 20/21 to correct for the errors, as the adjustment was in excess of our threshold of £14.934m the audit team requested management to revise the valuations for 18/19 and 19/20 as the error was also included in the comparative figures. The impacts in 19/20 and 20/21 were below our threshold and were corrected by management.

Uncorrected Differences:

There are two unadjusted mis-statements above our reporting threshold of £0.996 m. We identified an error of £1.6 m with respect to an accrual included in Property, Plant & Equipment. The accrual was for LED lighting where we were unable to verify the exact value and amount allocated against this accrual.

The pension fund auditors highlighted in their letter to us that they had identified an error of £12.4 m in their assessment of assets i.e. assets as reported in the draft financial statements were understated. This was corrected by the Pension Fund. Oxfordshire County Council have approximately a 49% share of the Pension Fund and so the corrected error would represent approximately £6.1 m for Oxfordshire County Council.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Financial Statement Audit (continued)

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £19.912 m as 1.8% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Audit & Governance Committee that we would report to the Committee all uncorrected audit differences in excess of £0.996 mm.



Section 4

Value for Money

Value for Money (VFM)

We did not identify any risks of significant weaknesses in the Council's VFM arrangements for 2020/21.

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment to the May 2023 Audit & Governance Committee meeting which was based on a combination of our cumulative audit knowledge and experience, our review of Council and committee reports, meetings with the Director of Finance, Chief Internal Auditor, Corporate Director of Commercial Development, Assets and Investment, and the Monitoring Officer and evaluation of associated documentation through our regular engagement with management and the finance team. We reported that we had identified a risk of significant weakness in the Council's VFM arrangements in relation to procurement specifically in respect of the settlement of a case by a claimant.

We had no matters to report by exception in the audit report.

Reporting

We completed our planned VFM arrangements work on 21 September 2023 and did not identify any significant weaknesses in the Council's VFM arrangements. As a result, we had no matters to report by exception in the audit report on the financial statements. We include within the VFM commentary below the associated recommendation we have agreed with the Council.

Our VFM commentary highlights relevant issues for the Council and the wider public.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

- Financial sustainability
How the Council plans and manages its resources to ensure it can continue to deliver its services;
 - Governance
How the Council ensures that it makes informed decisions and properly manages its risks; and
 - Improving economy, efficiency and effectiveness:
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.
-

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Council has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

For 2020/21, Oxfordshire County Council (the Council) has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The budget for 2020/21 was approved by the County Council on 11 February 2020 and the council tax requirement (which is the net budget met by council tax) for 2020/21 was set at £475.1m. The net budget was financed from: Business Rates (£75.1 m); and Council Tax (£400.0 m).

The Council's arrangements for 2020/21 were in the context of changes to the Local Government financial framework as part of the coronavirus pandemic response.

During 2020/21 there were a number of changes to the original approved budget and financial strategy, reflecting Cabinet decisions and the application of several emergency funding streams made available by the Government and NHS England in response to the coronavirus pandemic.

Financial sustainability (continued)

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them (cont'd):

These updates included an update to Cabinet in July 2020, and a revision by Cabinet to the budget in August 2020. Virements to enact the revised budget were approved in September 2020. These actions and the revised additional government support ensured that the Council ended the year with an underspend £14.2 m of which was carried forward in a Covid Reserve for subsequent years.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

How the body plans to bridge its funding gaps and identifies achievable savings

Full Council as well as the Cabinet maintain and provide oversight over the financial performance of the Council. This is done through the annual budget as well as Medium Term Financial Strategy (MTFS) being approved by the Full Council. These documents identify areas of financial pressures with the aim of producing and delivering a balanced budget each year. This is then monitored through monthly Business Management and Monitoring Reports to the Cabinet where any in-year variations are approved.

The budget setting process identifies funding gaps and the action required to address these gaps. These are detailed in the MTFS under 'pressures, investments and savings' section which form the basis of the Council's risks and mitigations. Monthly reporting on business management and monitoring to the Cabinet also enables the Council to identify gaps in funding and monitor progress on meeting savings targets.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Council has a vision and a long-term strategic plan which articulates how it will deliver its statutory responsibilities by bringing together the Council's policy, business and financial planning and risk management. During 2020-21 the Council was operating under the Corporate Plan 2020-2024.

[CorporatePlan2020 \(oxfordshire.gov.uk\)](https://www.oxfordshire.gov.uk/corporate-plan-2020-2024)

The Council aligns the annual operating plan including the financial plans for enabling sustainable delivery of services. This forms the basis of monthly reporting to the Cabinet.

Financial sustainability (continued)

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities (cont'd):

As well as holding a contingency budget, general balances are also held to ensure that a major incident or emergency can be managed without impacting on other services. In reaching the decision on the level of balances that are appropriate to be held for 2020/21 and future years, the Council have considered the strategic, operational and financial risks facing the authority including the ability to deliver planned savings, as well as external risks such as the impact of flooding. During 2020/21 the Council also actively had to manage forward reserves to reflect the longer-term impact of Covid-19 on its residents. £14.2 m of Covid-19 funding which was underspent in 2020/21 was subsequently carried forward in a Covid Reserve.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

Throughout the financial planning i.e. annual budget and MTFS processes, consideration of other plans such as capital and treasury management also take place. The Capital and Investment strategy also forms part of the annual budget setting process with the strategy being taken to Cabinet for approval at the same time as the revenue budget.

The Capital and Investment Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

All of the Council's financial strategies and planning interlink and are presented in a way that informs clear and effective decision making.

The Council reports to each Performance Scrutiny meeting and Cabinet meeting on key performance areas which show the extent to which the changes we expect to see as a result of the Council's actions are being achieved, and in turn measures and targets show progress towards the performance indicators. The Council's financial plans include reporting on these wider areas as part of its mechanisms for monitoring the achievement of targets for each of the key performance areas. Where the Council identifies a risk to target achievement, it incorporates the resulting identified mitigating actions into the budget, which enables it to identify the necessary financial resources required to implement the actions.

Financial sustainability (continued)

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Throughout the preparation of the budget and MTFS, risks are taken into consideration in order to see how they impact certain areas and what the financial implications of these risks might be. Reserves are used not only to help implement the MTFS but also to provide mitigation against financial risks and wider flexibility in dealing with unplanned changes.

The Council has an effective corporate risk management framework in place to identify, mitigate and monitor the risks to the Council in delivering strategic and service organisations. This includes both financial and non-financial risks. The risk register is reviewed throughout the year by the Cabinet, Corporate Management Team and the Audit & Governance Committee.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

It is the responsibility of Chief Officers to control income and expenditure on their budgets and to monitor performance taking account of financial information provided by the Chief Financial Officer.

The largest risk affecting the Council throughout the year was the ongoing Covid-19 pandemic. The Council's response, such as presented to the July and August 2020 Cabinet meetings, shows the decisive steps that were taken by the Council.

The pandemic required local authorities to make rapid adjustments to meet new demands and to step up work in critical frontline services. These new and increased demands have resulted in significant additional expenditure. At the same time, council income streams have been severely damaged by lockdowns and other restrictions. During 2020/21, additional funding was provided from central Government to help councils with the financial impact of COVID-19, however this has not matched projected additional costs and loss of income for the year. Given the legal duty councils must balance their budgets each year and act to avoid the possibility that expenditure might exceed available income in any year, in July 2020, the Cabinet asked Officers to address the potential overspend arising from COVID-19. A revised budget addressing the potential overspend taking into account expected additional funding received from government was agreed by Council. The revised budget ensured a balanced position for 2020/21 could be achieved and that budgets to meet the additional costs of COVID-19 were agreed to enable effective budget management. This evidences the Council's approach to unplanned changes in demand.

Financial sustainability (continued)

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Any changes to demands are managed through regular budget monitoring and also utilizing underspends in other areas. OCC also hold a healthy balance of investments although this is held with a long-term view, these are available where needed.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Governance

For 2020/21, the Council has had the arrangements we would expect to see to enable it to make informed decisions and properly manage its risks.

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council's budget is refreshed annually to match its strategic aims and align to strategic priorities and risks. The Business Management and Monitoring report outlines the actions being undertaken by the Council to provide assurance that risks are being mitigated to an acceptable level.

The Business Management and Monitoring report is supported by a risk register. The risks assessed are wider than just financial, due to the nature of the Council's activities. The Council assesses impact of risks on a matrix of likelihood of occurrence and potential impact upon the Council, with a combined score produced to assess the importance of the risk. The Council has a Risk and Opportunities Management Strategy which contains the risk appetite statement that defines acceptable levels of risk for its activities.

The Council had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

The Council has an internal audit service to help gain assurance over the effective operation of internal controls. It also has a Counter Fraud Team as part of its Counter Fraud Strategy and Plan to prevent and detect fraud. Quarterly reports are received from the internal auditors highlighting their work carried out including a breakdown of fraud investigations with any significant issues included in summary format. Cases of alleged or proven incidents of fraud are investigated or tracked by internal audit and reported to the Audit & Governance Committee.

The Chief Executive is responsible for the adequate provision of Internal audit and counter fraud with oversight from the Audit & Governance Committee. The Council management is responsible for responding to the internal audit and counter fraud findings appropriately and in a timely manner with appropriate challenge from the Audit & Governance Committee.

The Counter Fraud Strategy and related policies (including the Bribery Act Policy) are regularly reviewed and have been approved by the Audit & Governance Committee. The County Council fully participate in the National Fraud Initiative with results notified to the Audit & Governance Committee through the Chief Internal Auditors Annual Report and Opinion.

Financial regulations and procedures have been developed and are kept under review to ensure they provide an effective control framework. Compliance is monitored through appropriate review by service managers and finance staff together with independent review by internal audit.

Governance (continued):

How the body approaches and carries out its annual budget setting process

The Council develops its financial plan and budget using dual processes:

- **Top down:** The Council approves or adopts the policy framework which sets out the council's service delivery plans, including the Corporate Plan and in addition approves or adopts the annual budget. The Cabinet is responsible for making sure that there is effective financial planning within the council. This includes preparing proposals for the budget, which should take account of the views of the public, local stakeholders and the council's Performance Scrutiny Committee.
- **Bottom up:** where the Council develops a granular level of activity, income, expenditure, workforce, capacity and efficiency planning. The Council then triangulates these plans with operational, performance and workforce leads.

The Council had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

We obtained the Budget for the current year 20/21 and we noted that the Budget was considered by the Cabinet, before submission to the County Council. We also noted through the review of the Budget Process that the Performance and Corporate Services Overview and Scrutiny Committee considered strategic issues relating to the Budget including comments on individual portfolios. The Budget was firstly recommended by the Performance and Corporate Services Overview and Scrutiny Committee for approval by the Cabinet before the Budget for 20/21 was recommended for approval by the County Council as per the above processes and arrangements contained in the Council's Constitution.

Governance (continued)

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

Within the Constitution of the Council there are processes and procedures in place to ensure the Council has effective processes and systems in place to ensure budgetary control, to communicate relevant, accurate and timely management information; to support its statutory financial reporting requirements and to ensure the body is taking corrective action where needed.

Budget Monitoring and Control:

The Director of Finance is responsible for providing appropriate financial systems to enable budgets to be monitored effectively. The Director of Finance must monitor expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

It is the responsibility of Chief Officers to control income and expenditure on their budgets and to monitor performance taking account of financial information provided by the Director of Finance. They should report to the relevant Cabinet Member on variations and take any action necessary to avoid exceeding their budgets and alert the Chief Financial Officer to any problems. Any new proposal containing significant financial implications must take note of the Director of Finance's advice as well as that of the relevant Chief Officer and Cabinet Member.

The Director of Finance oversees the adoption and operation of the Council's overall performance management. The monthly monitoring report to the Cabinet includes a budget v actual position and other non-financial and performance reporting with areas identified that need corrective action based on any deviation from budget incurred during the year. In response, the report also highlights corrective actions/savings put in place to address the deviations. This is evident through actions taken to meet changing economic conditions through the pandemic.

Governance (continued)

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

The effective operation of key committees, supported with regular, clear and relevant information, is the Council's key tool for ensuring that it makes properly informed decisions.

Published Committee papers and minutes evidence the challenge made by Councillors and the transparency in decision making. Executive decisions are made by the Executive Body being the Leader and Cabinet, within the overall policy and budgetary framework approved by Full Council. Any decisions the Executive wishes to take outside of the framework must be referred to Full Council to decide. Scrutiny committees monitor the work of the Executive Body.

Full Council:

The Full Council is responsible for specified major decisions, such as setting the budget, and debates topical issues. It also receives reports from the Executive, and members are able to question the Executive on their areas of business.

Cabinet:

Oxfordshire County Council operates a Leader with Cabinet structure. The Cabinet is made up of the Leader and executive members who each have a portfolio of responsibilities. The Cabinet make decisions together on strategic issues and individual executive members can take decisions on issues relating directly to their portfolio areas.

Cabinet Advisory Groups (CAG):

CAG's examine topics selected by Cabinet which align to corporate council priorities. CAG's are not formal meetings of the Council and do not have the status of advisory committees. CAG meetings are ad hoc and cover areas such as: Minerals and Waste; Transport and Transformation.

Select Committees:

The Select Committees (Overview and Performance and Scrutiny) hold the executive members to account on the decisions they make both collectively as Cabinet and individually. They can assist the Cabinet and executive members to make effective decisions by examining issues beforehand and making recommendations.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

Governance (continued)

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

The Select Committees can also challenge decisions before they are implemented, review decisions after they have been implemented to see if they achieved what was intended, and suggest new policy areas or review the effectiveness of existing policies.

Audit & Governance Committee:

The Audit & Governance Committee meets 6 times per year, is comprised of appropriately skilled and experienced members, has clear terms of reference which emphasises the Committee's role in providing effective challenge and has an annual work plan to help ensure that it focuses on the relevant aspects of governance, internal control and financial reporting.

Our attendance at the Audit & Governance Committee meetings indicates that reports brought to the attention of the Audit & Governance Committee are appropriately challenged and scrutinised.

Monitoring Officer:

The Council also has a Monitoring Officer in place. The function and role of the Monitoring Officer includes ensuring lawful and fair decision making. The Monitoring Officer is an active participant at relevant committees including the Audit & Governance Committee.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

Governance (continued)

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

We have identified there are various policies in place regarding the integrity, ethical values and behaviour of key executives.

A code of corporate governance is in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To ensure effective leadership throughout the County Council, members and officers work together to deliver agreed plans with defined functions and roles. These roles and responsibilities are set out in the Constitution and in particular looks at how decisions are made and how procedures are to be followed to ensure that actions are efficient, legal, transparent and accountable to the community. Many of these processes are required by statute and regulations by Governmental and other bodies (e.g. CIPFA) while the County Council has determined others locally.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

The County Council has adopted a number of codes and protocols that govern the standards of behaviour expected of members and officers. These include codes of conduct for both officers and members and cover conflicts of interest and gifts and hospitality and appropriate policies for partnership working. The Code of conduct is communicated and monitored regularly. The handbook includes policies regarding ethics and behavioural standards for employees and it is well communicated to the stakeholders of the business and is available on the Council's intranet. All staff, Councillors and co-opted members are provided with a copy of the relevant policy when joining and are required to read and sign up to the code of conduct/employee handbook.

The Council has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. These policies and procedures are reviewed and revised regularly – this is overseen by the County Council.

The Council has specific policies for staff and non-executive directors in respect of gifts and hospitality and conflicts of interest. Annually, all Senior Staff and Councillors as well the governors are required to make declarations. These declarations are recorded in a register maintained by the Finance Team and published on the Council's website.

Improving economy, efficiency and effectiveness

For 2020/21, the Council has had the arrangements we would expect to enable it to use information about its costs and performance to improve the way it manages and delivers services.

How financial and performance information has been used to assess performance to identify areas for improvement.

The Council receives reports on performance in its key areas against key performance indicators set out in the Outcomes Framework that is agreed annually. The monthly Business management and monitoring reports clearly outline performance against planned targets and outcomes. Depending on the performance area, a Council committee will have oversight of the actions being identified and taken to address areas where performance is below plan.

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The Council has an array of ways of measuring its own performance across all aspects of its operations. It brings these together in the form of monthly reporting to the Cabinet against its medium-term financial strategy, key performance indicators and annual budget. Where performance is below plan these reports highlight the action being taken to seek the required improvement. The Council has also previously used the Corporate Peer Challenge in 2019 to receive feedback from Local Government Association to improve its services. This shows that the Council has voluntarily sought external feedback to help drive its performance.

The Council publishes an annual Narrative Statement and Annual Governance Statement (AGS) as part of the year-end closedown process outlining its performance for the financial year that also considers non-financial aspects. The AGS also highlights significant governance issues and looks back at progress against issues raised in the prior year and also importantly governance issues to be addressed in the next financial year.

Improving economy, efficiency and effectiveness (continued)

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Council has a number of collaborative working arrangements. These arrangements are generally focused on key aspects of strategic direction such as: Housing, Growth, Environmental and Health.

The County Council has pooled budget arrangements with NHS bodies and during 2020/21 had formal joint working agreements with Cherwell District Council. These partnerships involve joint use of the assets and resources of each organisation rather than the establishment of a separate entity.

Oxfordshire Local Enterprise Partnership (LEP)

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

The Council acts as the Accountable Officer for the Oxfordshire LEP (LEP). The LEP's purpose is to inspire and collaborate to deliver economic opportunities for the communities of Oxfordshire. The LEP brings together representatives from academia, business and the public sector across Oxfordshire.

Integrated Business Centre

The Council is a formal partner in the Integrated Business Centre (IBC) hosted by Hampshire County Council. The Council joined in 2014/15 as the first operational partner for the provision of shared financial and HR services. The service offered by the IBC are HR Services, Finance Services, Purchase to Pay Services.

The Council is formally represented on the performance board of the IBC. Performance is formally reviewed on a quarterly basis, and this includes a range of Performance Measures, overlaid by comprehensive service performance reports, and agreed actions to drive continued collective performance improvement. The IBC also provides an ISAE 3402 Type 2 report in relation to the control environment. This allows OCC to monitor the control environment and follow up on any control weaknesses noted.

National Health Service Section 75 Pooled Budgets

During 2020/21 the Council had two pooled budgets with Oxfordshire Clinical Commissioning Group and one with Oxford Health NHS Foundation Trust. The pooled budgets operate to provide better outcomes for patients within Oxfordshire and ensure that the resources in place are best utilised for maximum impact.

Improving economy, efficiency and effectiveness (continued)

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve (cont'd)

Other key partnerships include the Future Oxfordshire Partnership (formally the Oxfordshire Growth Board – name changed in July 2021). The Future Oxfordshire Partnership is a joint committee of the six councils of Oxfordshire together with key strategic partners. It has been set up to facilitate and enable joint working on economic development, strategic planning and growth. It does this by overseeing the delivery of projects that the councils of Oxfordshire are seeking to deliver collaboratively in the fields of economic development and strategic planning. The Future Oxfordshire Partnership also has an important role in representing Oxfordshire on matters of regional interest.

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

The Partnership meets six times each year to discuss issues facing Oxfordshire's future, most often in a non-decision-making capacity. It is supported by four Advisory Sub-Groups (Infrastructure, Environment, Housing and Oxfordshire Plan 2050), a Scrutiny Panel and a small team of officers who are tasked with delivering on elements of the Partnership's work programme.

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Council follows the process within the Constitution of the Council in Part 8, Section 3 which sets out the procurement and contracts procedures. This includes the procedures and statutory requirements in terms of the procurement of services.

A review by PwC in 2018 identified procurement and contract management as an area of business improvement. The improvement work was made ever more urgent, following the successful challenge from a company, as a result of the procurement process supporting a parking enforcement procurement award process. The legal challenge was originally made in June 2019 with the final settlement of £0.9m being made by the Council in February 2021 and the total costs to the Council of £1.6m. It was noted the payment was made reflecting significant failings in the evaluation exercise during the procurement process.

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

An action plan was drawn up to address the significant weakness noted in the procurement process and ensure that the process is robust and thorough. An overarching fact-finding review of the procurement and subsequent litigation actions, settlement and costs associated was commissioned with relevant recommendations reported to the Council and Audit & Government Committee. All recommendations were duly accepted and an agreed implementation plan agreed. A review also concluded the isolated nature of the procurement decision and also the very specific nature of the reasons which resulted in the litigation.

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

During 20/21 the Council reported to Audit & Governance Committee a series of weaknesses with the application of procurement rules throughout the organisation prompted by the legal case noted above. Procurement arrangements were not being followed in all cases, leading to tender arrangements and other contracting arrangements that may not have provided value for money. An action plan was put in place to address the weaknesses identified and this was reported in a timely manner to the Audit & Governance Committee with a through action plan to address the matters identified. In our assessment of the matter and specifically its significance in respect of the value for money conclusion we concluded that there was not a significant weakness in arrangements. Key to reaching this conclusion was our assessment of the following key criteria:

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

- Exposes – or could be reasonably expected to expose – the body to significant financial loss or risk;
- Leads to – or could reasonably lead to – significant impact on the quality or effectiveness of service or on the body’s reputation;
- Leads to – or could reasonably be expected to – unlawful actions;
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans

We concluded that none of the above criteria were significant triggered by the procurement matter. We did however conclude that we would raise the following recommendation for the Council.

VFM Commentary

The Council has agreed 1 recommendations which we will follow up as part of our 2021/22 VFM arrangements work.

Recommendations

As a result of the VFM procedures we have carried out we have agreed the following recommendations with the Council:

Recommendation 1

The Council should continue to monitor progress against and compliance with the action plan drawn up by the Council in response to the investigator's recommendations and identify areas of further improvement to improve value for money. Should controls operate effectively throughout 2021/22, we would not expect this matter to be reported as part of VFM commentary.

A background image of a business meeting. A woman with blonde hair is leaning over a wooden table, looking at a document. Other people in business attire are visible in the background, some standing and some sitting. The scene is brightly lit, suggesting an office environment.

Section 5

Other Reporting Issues

Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Council's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

Due to the delay in the certification of the 2020/21 accounts the WGA cycle for 2020/21 has now closed for further submissions and so we did not need to complete the WGA review.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Other Reporting Issues (cont'd)

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

The matters reported are shown below and are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported.

Description	Impact
Journals	<p>We note that there is no 'official' authorisation process in place when processing journals therefore a team member could post an erroneous/fraudulent journal which may not be identified.</p> <p>As a mitigating factor, we are aware that budget holders perform a review of their budgets on a regular basis however no evidence is kept on file of this review so there is no way to confirm that they have completed it.</p> <p>We recommend that OCC implement a journal approval process to reduce likelihood of inaccurate or inappropriate journals being processed to implement best practice guidance.</p> <p>In addition we recommend that OCC put in place procedures to evidence the review the budget holders complete to enhance this control and in order to demonstrate it operates effectively.</p>

Appendix A

Audit Fees

Audit Fees

We experienced significant delays with the audit including the correction of errors on property, plant and equipment through a prior period adjustment. We will need to assess the scale of the additional fee and will present this at the next available Audit & Governance Committee meeting.

Description	Final Fee 2020/21 £	Planned Fee 2020/21 £	Final Fee 2019/20 £
Total Audit Fee – Code work	TBC	84,668	105,868
Non-audit work – Teachers Pensions 2020/21 certification	13,500	13,500	13,000

For 2020/21 the scale fee has been re-assessed to take into account a number of risk factors which includes procedures performed to address the risk profile of the Council and additional work to address increase in Regulatory standards. The additional fee for 2020/21 once finalised will be discussed with management and remains subject to approval by PSAA Ltd.

We confirm we have undertaken non-audit work in respect of the certification of the Teachers Pensions return for 2020/21.

We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO.

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AUDIT AND GOVERNANCE COMMITTEE – 13 March 2024

Member Code of Conduct – Decision Notice

Report by the Monitoring Officer

RECOMMENDATION

1. The Committee is asked to note the decision of the Monitoring Officer regarding a Members' Code of Conduct Complaint concerning Councillor Sally Povolotsky.

Executive Summary

2. On 20 September 2022, the Monitoring Officer received a complaint about the conduct of Councillor Sally Povolotsky, which highlighted instances of concerns that Councillor Povolotsky may have failed to comply with the Council's Code of Conduct (the Code).
3. This was investigated and the Members' Advisory Panel convened on 30 November 2023 to consider allegations of breach of the code of conduct against the Subject Councillor.
4. Under the Arrangements for Dealing with Complaints Against Members (the Arrangements), a Members' Advisory Panel (the Panel) was formed from three councillor members of this Committee, one from each of the political groups on the Council.
5. The current Arrangements are clear that the purpose of the Panel is to advise the Monitoring Officer whether, in their view, the Code has been breached and if so to offer a view on any appropriate remedy. The final decision is that of the Monitoring Officer.
6. This report confirms the Monitoring Officer's decision and fulfils the requirement set out in the Arrangements that this Committee be informed of the outcome. This is appropriate given the Committee's overview of member ethical standards and because a Panel is drawn from its membership.

The Decision Notice

7. The Arrangements for Dealing with Complaints Against Members require the Monitoring Officer to issue a Decision Notice on a Code of Conduct complaint, following a Members' Advisory Panel. The Decision Notice is annexed to this report.

8. The Monitoring Officer's decision that there was a single breach of the Code of Conduct at the lowest end of the scale in terms of seriousness of breach was reached on advice from the Members' Advisory Panel and having taken a view from the Independent Person.
9. The recommendation from the Panel and the decision of the Monitoring Officer was that the Subject Councillor would be invited to attend a suitable course of training. That training has been completed.
10. As envisaged by the Arrangements, the decision notice has been provided to the Subject Councillor and the complainant.

Conclusion

11. The Committee is asked to note the decision of the Monitoring Officer.

Financial Implications

12. There are no financial implications.

Comments checked by: Ian Dyson, Director of Finance Services
ian.dyson@oxfordshire.gov.uk

Legal Implications

13. Considering, the legal framework and statutory guidance regarding openness and transparency in local government, the circumstances of the subject councillor, and the advice of the Panel, the Monitoring Officer has taken the decision to publish the decision notice. The matters have been considered in accordance with the requirements set out in the Localism Act 2011 Part 1 Chapter 7 Sections 26-37

Anita Bradley
Director of Law & Governance & Monitoring Officer

Contact Officer: Sarah Smith, Senior Governance Lead;
governance@oxfordshire.gov.uk

Decision Notice by the Monitoring Officer – 22 January 2024

Complaint against Councillor Sally Povolotsky

1. On 20 September 2022, the Monitoring Officer received a complaint about the conduct of Councillor Sally Povolotsky.
2. In their complaint, the complainant highlighted instances where they were concerned that Councillor Povolotsky may have failed to comply with the Council's Code of Conduct (the Code).

Members' Advisory Panel

3. Under the *Arrangements for Dealing with Complaints Against Members*, a Members' Advisory Panel (the Panel) was formed from councillor members of the Audit & Governance Committee, with members drawn from three political groups.
4. On 30 November 2023 the Panel convened to consider allegations of breach of the code of conduct against the subject councillor.
5. The Panel having heard from the parties and having considered all the evidence and taking into account the views of the Independent Person considered that there had been a single breach of the code under paragraph 6.6.1 in that the subject member participated in the performance of a third-party contract whilst insufficiently highlighting her association to the Council.
6. They considered that there was no evidence of personal gain and that they considered the matter at the lowest end of the scale in terms of seriousness of breach. They therefore advised that the subject councillor be invited to undertake a course of training with the Monitoring Officer.

Decision of the Monitoring Officer

7. The Monitoring Officer has taken into consideration the advice of the Panel and accordingly has invited the subject councillor to attend a suitable training session.
8. Taking into account, the legal framework and statutory guidance regarding openness and transparency in local government, the circumstances of the subject councillor, and the advice of the Panel, the Monitoring Officer has taken the decision to publish the decision notice.

Signed



Name Anita Bradley, Monitoring Officer, Oxfordshire County Council

Date 22 January 2024

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AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – 2024

8 May 2024

1. Chief Internal Auditor's Annual Report (Sarah Cox)
2. Internal Audit Strategy 2024/25 (Sarah Cox)
3. Risk Management Update (Louise Tustian)
4. Ernst & Young update (Maria Grindley/Adrian Balmer).
- 5.

17 July 2024

Annual Governance Statement 2023/2024

18 September 2024

27 November 2024

15 January 2025

12 March 2025

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