

Division(s):

AUDIT & GOVERNANCE COMMITTEE – 16 SEPTEMBER 2015

GOVERNANCE ARRANGEMENTS

Report by the Head of Law and Culture

Introduction

1. As a result of the current Chief Executive leaving the Council at the end of September 2015, the Committee at its last meeting asked for assurance that the Council's corporate governance arrangements would continue to be fully managed.
2. This followed the Council's intention to appoint Mr Peter Clark as the Head of Paid Service and, consequently, to appoint Mr Nick Graham as the Council's Monitoring Officer with effect from the cessation of the current Chief Executive's employment with the Council.
3. This report sets out the planned arrangements to give appropriate assurance to the Committee as to how the corporate governance framework is to be maintained and the management arrangements that will be put in place going forward.

Background and proposal

4. In view of the Chief Executive leaving the authority, it was necessary for the Council to appoint a successor to the role of Head of Paid Service. In expressing its intention to appoint Mr Peter Clark, it was necessary for a further appointment to be made to the role of Monitoring Officer as the law does not allow the same person to fulfil both of these statutory roles. The Council expressed its intention to appoint Mr Nick Graham, Deputy Head of Law & Culture, to this role.
5. In short, the process through which the Council arrived at this decision was a statutory one, the regulatory requirement being incorporated into the Council's Constitution. In the first instance, the Remuneration Committee made recommendations to Council as to the person to be appointed as Head of Paid Service (and consequently as Monitoring Officer). Council considered the recommendation and nominated Mr Clark and Mr Graham respectively. Cabinet members were duly consulted on these nominations and as they had no objections to them, Council then met to make its final determination.
6. This intended change was reported to this Committee in July. The Committee noted the proposed change and asked for clarification as to how this change might impact on the monitoring of the Council's corporate governance arrangements.

7. The proposed changes will not significantly alter the management of the Council's governance arrangements which will continue to be delivered robustly, with no loss of focus.

Key areas of governance

8. The Council's internal sources of corporate governance assurance, overseen by this Committee, are set out in the Council's **Corporate Governance Assurance Framework** and be summarised as follows:
 - **Audit & Governance Committee:** the body with delegated responsibility for overseeing the Council's governance arrangements. Currently attended by the Monitoring Officer and the Chief Internal Auditor (or their representatives where necessary)
 - **Performance Scrutiny Committee:** the body with responsibility for reviewing performance and exercising rights of call-in
 - **County Council Management Team:** ensures internal control issues are properly addressed and that cross-cutting directorate risks are included in the Council's Strategic Risk Register
 - **Audit Working Group:** working group reporting to the Audit & Governance Committee with responsibility for overseeing a first draft of the Annual Governance Statement and receiving reports on its action plan.
 - **Corporate Governance Working Group:** assists the Monitoring Officer in reviewing awareness of and compliance with governance policies.
 - **Corporate Governance Assurance Group:** currently chaired by the Monitoring Officer and oversees the assurance framework including the process of contribution from the Corporate Lead Officers.
 - **Information Governance Group:** officer group chaired by Deputy Head of Law and Culture and responsible for the implementation and awareness of data and information governance policies and compliance, including data security
 - **Annual Governance Statement:** statutory requirement to prepare and publish a Statement on the effectiveness of the Council's governance controls. Prepared by the Corporate Governance Assurance Group, with contributions from established Corporate Lead Officers and approved by this Committee
 - **Head of Paid Service:** responsibility for the manner in which the Council's functions are discharged and co-ordinated; responsibility for the number and grade of officers and for the discharge of the functions and organisation of officers
 - **Chief Finance Officer (Section 151 Officer):** statutory responsibility for the proper administration of the Council's financial affairs and that expenditure is lawful; responsibility for the promotion of good financial management
 - **Monitoring Officer:** statutory responsibility for ensuring the lawfulness of the Council's decision making; reporting to Council on any proposal which may lead to maladministration; reviewing members' governance; ensuring

governance policies are up to date and reviewing the effectiveness of internal audit

- **Chief Internal Auditor:** statutory officer with responsibility for the Internal Audit function. Contributes to the Annual Governance Statement
- **Corporate Lead Officers:** designated persons with responsibility for delivering annual statements on their assurance mechanism. This includes, for example, the area of *Legislation*, currently overseen by the Head of Law & Culture
- **Standard of behaviour and codes of conduct:** councils are required to adopt Codes of Conduct for officers and councillors
- **Constitution:** keeping the Constitution under review and reporting to Council on any potential amendments other than those required for clarity or to reflect legislative changes. The responsibility is delegated to the Monitoring Officer.

Changes in coverage

9. In summary, the key changes necessitated by the senior staffing appointments relate only to the division of responsibilities between the newly appointed Head of Paid Service and the newly appointed Monitoring Officer. Between them they will ensure continued coverage of all of the governance areas previously overseen by the Chief Executive and the Monitoring Officer. There are no changes to the key areas of participation already given by other designated officers/roles e.g. Chief Finance Officer and Chief Internal Auditor.
10. As such, the only changes necessary to the coverage of the governance arrangements have been as follows. As you will see, in some instances, the person with responsibility (Mr Clark/Mr Graham) will be different; otherwise the person will remain the same but the capacity in which they will fulfil the role will change (for example, the Corporate Governance Assurance Group).

Governance Area	Previous Coverage	From 1 October
Audit & Governance Committee	Monitoring Officer (Peter Clark) In addition to the Chief Internal Auditor (Ian Dyson)	Monitoring Officer (Nick Graham) In addition to the Chief Internal Auditor (Ian Dyson)
County Council Management Team	Chief Legal Officer/Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark) and in addition Monitoring Officer (Nick Graham)
Audit Working Group	Monitoring Officer (Peter Clark) In addition to the	Monitoring Officer (Nick Graham) In addition to the

Governance Area	Previous Coverage	From 1 October
	Chief Internal Auditor (Ian Dyson)	Chief Internal Auditor (Ian Dyson)
Corporate Governance Working Group	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Corporate Governance Assurance Group	Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark) in addition to Monitoring Officer (Nick Graham)
Annual Governance Statement	Monitoring Officer (Peter Clark)	Head of Paid Service (Peter Clark)
Standards of behaviour and codes of conduct	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Constitution	Monitoring Officer (Peter Clark)	Monitoring Officer (Nick Graham)
Oxfordshire Safeguarding Children's Board	Monitoring Officer (Peter Clark)	Head of Law & Culture (Nick Graham) or delegated substitute

Conclusion

11. There will be no diminution in the senior officer oversight of the Council's governance arrangements. The areas of responsibility of the Chief Finance Officer and the Chief Internal Auditor will not change. The main amendments needed are simply those necessary to reflect the appointment of the new Monitoring Officer.

RECOMMENDATION

The Committee is RECOMMENDED to comment on and note the limited amendments to senior officer responsibilities for governance outlined in paragraph 10 of this report.

PETER CLARK
Monitoring Officer and Head of Law and Culture

September 2015.