

Division(s): N/A

AUDIT COMMITTEE – 20 APRIL 2011

ANNUAL GOVERNANCE STATEMENT – CORPORATE LEADS ASSURANCE PROCESSES 2010/11

Report by the Monitoring Officer

INTRODUCTION

1. At their meeting 17 November 2010, the Audit Committee approved a revision of the Corporate Governance Assurance Framework.
2. One of the key changes reflected in the new framework was the ending of the six monthly Internal Control Checklist process; replacing the self assessment by every Head of Service with an annual statement of assurance produced by the Corporate Lead responsible for each of the Councils key control processes.
3. The Corporate Leads have defined their own assurance mechanism that enables them to review the effectiveness of the key control process they have corporate responsibility for. They will be providing an annual assurance certificate highlighting any areas for improvement required following their assessment. This will form part of the evidence when compiling the Annual Governance Statement, and will also be used to inform Directors when they sign off their own assurance certificates, also as part of the Annual Governance Statement procedure.
4. The Corporate Leads assurance processes have been subject to challenge and review by the Corporate Governance Assurance Group, and are now submitted to the Audit Committee for their consideration, comment and approval.
5. The individual Corporate Lead assurance processes are included as annexes to this report as follows:

| Title | Corporate Lead |
|---------------------------------|--|
| Annex 1: Performance Management | Corporate Performance and Review Manager in consultation with the risk/performance leads group |
| Annex 2: Project Management | Corporate Performance and Review Manager in consultation with the risk/performance leads group |
| Annex 3: Risk Management | Corporate Performance and Review Manager in consultation with the risk/performance leads group |

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| Annex 4: Business Continuity | County Business Continuity Officer in consultation with the business continuity stakeholder group |
| Annex 5 : Financial Management | Chief Finance Officer in consultation with delegated Section 151 officers |
| Annex 6: Legislation | Monitoring Officer and Head of Law & Governance in consultation with the monitoring officers group |
| Annex 7: Human Resources | Head of Human Resources in consultation with HR business partners |
| Annex 8: Health & Safety | County Health, Safety & Wellbeing Manager in consultation with directorate Health & Safety champions |
| Annex 9: Procurement/Contracts | County Procurement Manager in consultation with directorate leads |
| Annex 10: Information Technology | Deputy Head of ICT Services in consultation with ICT liaison managers |
| Annex 11: Partnerships | Strategic Partnerships Manager |

RECOMMENDATION

The Committee is RECOMMENDED to approve the processes designed by the Corporate Leads for monitoring the effectiveness of the Council's key controls.

Peter Clark
Head of Law & Governance

Background papers: Revised Corporate Governance Assurance Framework – Audit Committee 17 November 2011.

<http://mycouncil.oxfordshire.gov.uk/mgConvert2PDF.aspx?ID=4138>

Contact Officer: Sarah Cox, Audit Manager 01865 323881

ANNEX 1

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Performance Management*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

- 1.1 Corporate performance management targets are agreed with Directorate leads in advance of the beginning of each year.
- 1.2 Identified targets are reviewed by the Corporate Performance and Review Manager, to ensure that corporate priorities (as identified in the Corporate Plan) are being appropriately pursued at the directorate level, and that clear, measurable targets are in place, such that regular, robust assessment of performance can be undertaken
- 1.3 These targets are compiled into priority-led themes, to form a Corporate Balanced Scorecard, with Red, Amber or Green (RAG) ratings.
- 1.4 Each quarter during the year, following discussion at individual Directorate Leadership Team (DLT) meetings, performance on these targets is reported to the Corporate Performance and Review Team.
- 1.5 The Corporate Performance and Review Manager assesses these reports against the Corporate Balanced Scorecard, specifically to provide assurance that:
 - All agreed measures have been reported.
 - Areas of under-performance have been flagged.
 - Areas of under-performance are being properly addressed.
- 1.6 The Corporate Performance and Review Manager is responsible for identifying areas of under-performance that are of concern, either due to:
 - concerns about the reporting of the measure;
 - consistency of under-performance against the target;
 - inadequacy of action to improve this performance;
 - capacity of the under-performance to derail over-arching corporate priority;
- 1.7 For any identified as per the above, the Corporate Performance and Review Manager joins with the relevant Head of Service and Directorate Performance Lead to compile a qualitative exception report, with recommendation, for the County Council Management Team (CCMT).

- 1.8 This report forms part of the quarterly Business Management Report to CCMT.
- 1.9 Exception reports and the corporate balanced scorecard are brought to CCMT quarterly. Outcomes and actions are communicated back to Directorate Leads and Heads of Service.

Name: Alexandra Bailey

Lead officer for: Performance Management

ANNEX 2

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Project and Programme Management*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

- The Council's Project and Programme Management Framework is agreed with Directorate Project and Programme Management Leads in advance of the beginning of each year.
- The Framework clearly establishes the required reporting arrangements for status and identity of a project or programme, as well as the required arrangements for risk, governance and the completion of documentation.
- Each quarter during the year, Directorates report a completed project register to the Corporate Performance and Review Team, as per requirements identified in the Project and Programme Management Framework
- The Corporate Performance and Review Manager is responsible for isolating projects of Corporate concern, on the basis that:
 - The project or programme has a high risk profile
 - The project or programme is not reported as being appropriately governed (i.e. that there is not, where required, a trained project/programme manager, project/programme sponsor or project/programme board in place).
 - The project or programme has not completed all of the required documentation (project brief, project initiation document, project plan, project report, risk register, issue log and project evaluation).
 - The project or programme does not have an agreed budget (where appropriate).
- For any identified as per the above, the Corporate Performance and Review Manager works with the Directorate Project and Programme Lead and appropriate Head of Service or Project or Programme Manager (where relevant), to bring the project or programme to the attention of CCMT on a quarterly basis.
- This report forms part of the quarterly Business Management Report to CCMT.

- Outcomes and actions are communicated back to Directorate Leads and Heads of Service or project or programme managers.

Name: Alexandra Bailey

Lead officer for: Project and Programme Management

ANNEX 3

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Risk Management*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

- The framework for the Council's Risk Register is agreed with Directorate Risk Leads in advance of the beginning of each year.
 - The Register clearly establishes the scoring process, and the scheme of escalation, for reporting and managing risks at Service, Directorate, and CCMT levels.
 - Each quarter during the year, Directorates report a completed risk register to the Corporate Performance and Review Team.
 - The Corporate Performance and Review Manager is responsible for isolating risks of Corporate concern, on the basis that:
 - Identified risks are not being scored and escalated appropriately.
 - Risks are otherwise not reported appropriately or fully, as per the agreed framework.
 - Risks identified for service and directorate management are not managed at the correct levels.
 - Actions identified are inadequate or inappropriate.
 - Other known risks are not captured.
 - Risks have been identified for CCMT management.
 - For any identified as per the above, the Corporate Performance and Review Manager works with the Directorate Risk Lead and appropriate Head of Service (where relevant), to bring the risk to the attention of CCMT on a quarterly basis.
 - Where appropriate, the Corporate Performance and Review Manager is responsible, with the Directorate Risk Lead and appropriate Head of Service (where relevant) for compiling a qualitative exception report, with recommendation, for CCMT discussion.
 - A risk report is brought to CCMT quarterly. This report forms part of the quarterly Business Management Report to CCMT.
- A risk report is brought to the Audit Working Group quarterly and to the Audit Committee as appropriate (as determined by the quarterly report to the Audit Working Group).

- Outcomes and actions are communicated back to Directorate Leads and Heads of Service.

Name: Alexandra Bailey

Lead officer for: Risk Management

ANNEX 4

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: Business Continuity

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

Systems in Place

1. Business Continuity Corporate Strategy. The BC Corporate Strategy is reviewed annually by the Business Continuity Stakeholder Group (BCSG) and signed off by the Chief Executive. The strategy covers:

- ❖ The BC Cycle
- ❖ Service Recovery Priorities
- ❖ Training & BC Promotion
- ❖ Managing and Monitoring the BCM Programme
- ❖ BC Plans Structure
- ❖ Continuous Improvement
- ❖ BC Roles and Responsibilities
- ❖ Outcomes of Effective BCM

2. Business Continuity Stakeholder Group (BCSG). The BCSG is chaired by the Chief Fire Officer and its members include representatives from each of the directorates and specialist representatives from ICT (disaster recovery), Corporate Facilities Management and Oxfordshire Customer Services. The County Council Business Continuity Manager acts as Secretary. The principal aim of the Group is to maintain and further develop a common business continuity management (BCM) framework across OCC. The Group meets monthly and its terms of reference are reviewed annually.

Monitoring Controls

3. Directorate Priorities Registers. In accordance with the BC strategy the BCSG directorate representatives are responsible for maintaining 'Directorate Priorities Registers' which record information relating to business continuity within their own areas of interest. These priority registers are updated at least quarterly and submitted to the Council's BC Manager for scrutiny. The spreadsheets represent a 'health check' of business continuity

within their respective areas of responsibility and contain information which includes:

- ❖ List of services and priority for recovery (Group 1-4).
- ❖ Dates for BC plan review
- ❖ Date of last BC test (Required for Group 1 services).
- ❖ Alternate accommodation options for displaced services.

4. Business Continuity Incidents. Incidents occur each year impacting the Council's business continuity to varying degrees. The BCSG analyses the response by services involved and makes recommendations for changes to BC plans if required.

5. Business Continuity Testing. Group 1 Services are required to test their plans annually using a tabletop exercise. These tests are usually facilitated by the Council BC Manager and the directorate BC representative. Plans are updated if required to reflect lessons learned from the tests.

6. Major Incident Reporting System (MIRS). An IT-based system, MIRS was developed to facilitate upward reporting from the Council to the Cabinet Office Briefing Room (COBR) via the Thames Valley Local Resilience Forum (TVLRF) during a severe flu pandemic. It has also been adapted for use as a tool enabling monitoring by directorate management of the effectiveness of BC plan arrangements during incidents with widespread impact on Council services.

Actions if the Controls are not Working

7. This will depend on the perceived risk to business continuity. For routine matters, the directorate BCSG representatives would report to their respective leadership teams. For significant corporate issues BCSG reports to CCMT via the BCSG Chairman. In exceptional circumstances the BCSG secretary can report direct to the chair or respective director.

Name: Ian Travers Smith

Lead officer for: Business Continuity

ANNEX 5

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Financial Management*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

1. Sound financial management policies are available.

These are available on the intranet and reviewed on a regular basis. Policies comprise:

- Financial Procedure Rules (included in the Constitution)
 - Which identify the key financial responsibilities of Councillors and officers.
- Financial Regulations (form part of Corporate Governance Library)
 - Which provide more detailed guidance on how the Financial Procedure Rules should be implemented in practice.
 - They also identify the high-level financial controls within which all members and staff must operate.
- Contract Procedure Rules (included in the Constitution)

Responsibility: Principal Financial Manager (Planning & Performance) is responsible for ensuring they are kept up to date, accurate and communicated appropriately.

2. Procedural instructions detailing how all financial matters are handled are in place.

Procedural instructions for managers are available via Finance Toolkits on the intranet and are reviewed on a regular basis.

Procedural instructions for finance staff are available via the Accounting Manual on the intranet and are reviewed on a regular basis

Where local processes in Directorates apply, they are bound by the policies set out in 1 above.

Responsibility: Strategic Finance Manager (Data Control & Systems Development) in Oxfordshire Customer Services (OCS) along with Principal Financial Manager (Financial Planning & Management) in Corporate Finance are responsible for ensuring they are kept up to date, accurate and communicated appropriately.

3. A system is in place for the regular monitoring of compliance with the financial policies and procedures.

The monitoring of compliance is achieved through the Management Accounting teams as part of their regular meetings with managers and through the monthly financial monitoring process.

Compliance is also monitored through other areas of OCS such as Income (monthly debtors reports including numbers of invoices cancelled and bad debt write offs); Accounts Payable (BVPI8, duplicate payments); Banking (numbers of bank accounts opened and closed); County Procurement (Contracts).

Responsibility: Finance Business Partners have the responsibility to ensure that managers are aware of their financial responsibilities and are complying with financial policies and procedures. Non compliance is escalated to the Finance Business Partners, and where appropriate, to the Deputy Section 151 Officer, or Section 151 Officer.

4. A system for delegating financial authority to staff at appropriate levels is in place and documented and kept up to date.

The Scheme of Financial Delegations is made by the Chief Executive, in accordance with the Contract Procedure Rules (Section CC of the Council's Constitution) to enable delegation of her authority to sign contracts and other financial authorisations.

The schedule lists named posts and officers authorised to exercise specific powers under groups of functions (such as authorising orders, committing expenditure, Section 151 officers). Each group has a different level of delegation or responsibilities which are approved by Directors. The Scheme of Delegation is required to be reviewed at least annually to ensure it continues to meet the requirements of the Directorate and the Constitution. The schedules are available on the Intranet.

Responsibility: Directors are responsible for ensuring the Scheme of Delegation is kept up to date and accurate. Finance Business Partners are responsible for ensuring that the Directorate have an adequate process in place to discharge this responsibility and to ensure they are complying with regulations.

5. All staff with financial responsibilities are aware of, and adequately trained to discharge their responsibilities.

For Managers

Finance training is available for staff which includes a compulsory Managing Resources Effectively course for all managers with budget responsibilities and staff who are involved in the annual service and resource planning process. This is flagged in Induction Training.

Further modular financial training is available via Learning & Development. Regular support is also available through the Management Accounting teams.

All staff are made aware of, and are encouraged to use, the Finance Toolkits.

For Finance Staff

A series of monthly briefings are held for the finance community. The objective of the briefings is to help develop the knowledge of finance staff and to contribute to their continuing professional development.

All staff have an annual Training Plan in place.

Responsibility: Finance Business Partners have the responsibility to ensure that managers are aware of training opportunities and provide support where appropriate. Staff with professional finance qualifications are required to undertake continuing professional development as part of their professional body membership.

6. There is adequate separation of duties.

SAP roles are designed to ensure that there is adequate separation of duties in all financial aspects of the system.

The Scheme of Delegation, at point 4 above sets out nominated officers which ensure separation of duties.

Where local processes in Directorates apply, they are bound by the policies set out in point 1 above.

Responsibility: Allocation of SAP roles is authorised by the Finance Business Partners. Changes to SAP roles are authorised by the Assistant Heads of OCS or Head of Corporate Finance. Finance Business Partners have the responsibility to ensure where local processes apply, that policies and procedures are adhered to.

7. Procedures are in place to ensure that proper accounting records are maintained and entries in them are properly authorised.

SAP is used as the prime financial record. Controlled access to SAP via user roles ensures proper accounting entries.

Exceptions to the use of SAP as the prime financial record through the use of feeder systems, used to calculate payments due to suppliers or income to be collected, require written approval from the S151 officer. Where feeder systems are in place, controls should be in place to ensure that accurate expenditure/income is reflected on SAP.

Responsibility: Strategic Finance Manager (Data Control & Systems Development) is responsible for the uploads of the feeder systems to SAP on a monthly basis and for ensuring the controls are in place to ensure accurate

8. Measures are in place to ensure the security of financial information.

Access to financial information on SAP is controlled through SAP roles which are authorised by Finance Business Partners.

All systems are password protected and information (including financial) held on the council's network is backed up regularly by ICT.

Confidential financial information stored in spreadsheets should be secured by passwords.

Business critical systems should be approved by ICT. Where spreadsheets are in place for these, they should be stored on a network drive not locally or on a laptop and documented controls should be in place to ensure system changes are managed properly.

Responsibility: Assistant Heads of Finance in OCS and the Acting Head of Corporate Finance are responsible for ensuring the security of financial information.

9. Service area budgets are set in accordance with key objectives and targets and procedures are in place to review and agree those budgets.

The annual Service & Resource Planning process ensures that there is a thorough process in place to review the budget proposals and to ensure that budgets are set in accordance with the objectives and targets of the Directorate as part of the Business strategies and the wider Council priorities in the Corporate Plan.

Action Point: Finance Business Partners challenge the financial aspects of the Business Strategies ahead of submission to Star Chambers. S151 Officer & Deputy S151 Officer provide challenge at Star Chambers.

Subsequent verification is provided by the finance Business Partners to the Deputy S151 Officer prior to agreement of budget at Council.

10. Agreed budgets are formally signed off by budget holders prior to the start of the financial year.

Cost Centre Managers are issued with budgets and are required to formally sign-off as approved prior to the start of the financial year. Deputy Directors/Heads of Service are also required to sign off, prior to the start of the financial year, the budgets of their managers.

Responsibility: Business Managers (or another nominated officer) are responsible for tracking sign off. Issues are escalated to Management Accounting/Finance Business Partners and the relevant manager. Reporting of acceptance of budgets is reported to Business Managers Group with an overview by the Section 151 Officer.

11. Budgets are monitored and reported on a monthly basis and action plans to address significant variations are agreed and documented

Roles and Responsibilities document sets out expected actions including regularly accessing and reviewing actual expenditure and income on SAP and updating forecasts as appropriate. This is available on the Intranet and communicated via Financial Management Training.

Monthly budget monitoring responsibilities and timescales for managers are posted on the intranet.

Management Accounting teams meet with Managers on a regular basis (frequency depends on risk assessment of budget) to support and challenge financial forecasts.

Monthly budget monitoring information is reviewed at Directorate Management Teams on a monthly basis ahead of it being submitted to Corporate Finance for inclusion in the monthly report to Cabinet.

All virements and supplementary estimate requests are approved in accordance with Financial Regulations.

Responsibility: Finance Business Partners are responsible for providing advice; support and challenge that forecasts are accurate soundly based.

12. Major projects have adequate and appropriate finance input.

A suitable nominated finance officer should be included on all project teams and/or boards.

Officers will seek specialist advice, either internally or externally, for aspects of the project they are not able to advise on.

Action Point: Issues are escalated to Finance Business Partner, Deputy Section 151 officer, or Section 151 Officer as appropriate.

13. Capital expenditure and income arrangements are appropriate and adequate.

Capital expenditure and income are governed by the frameworks in place set out in points 1 to 13.

The exception to these is point 10. Rather than approve budgets in advance of the financial year, project approvals provide the method of budget sign off prior to the commencement of the scheme.

Responsibility: Project approvals are reviewed by the Capital Finance Team and are signed off by the Finance Business Partners. The capital moratorium in place from June 2010 required all schemes to be signed off by the Chief Finance Officer.

14. Financial arrangements in schools are appropriate and adequate.

The financial framework for schools is set out in the Scheme for Financing Schools, which is approved by the Secretary of State. The practical day to day application is set out in the Schools Financial Manual of Guidance which also includes links to the Council's Constitution (see point 1).

Local authorities are required to publish a scheme for financing schools setting out their financial relationship with the maintained schools in the council. Any amendments to the scheme must be the subject of consultation with all schools and be approved by the Schools Forum.

The Scheme summarises the policies adopted by the School's Governing Body in order to discharge its responsibilities for the sound financial management of the school within the financial regulations, standing orders and the scheme for the local management of schools issued by Council.

Responsibility: Responsibility for financial management of schools budgets is delegated to school governing bodies. The role of the Council is to challenge the governing bodies in undertaking these duties. This is discharged through the Schools Finance Team, who report to the Finance Business Partner.

Name: Lorna Baxter
Lead officer for: Financial Management

ANNEX 6

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: Legislation

General arrangements for ensuring effectiveness of the system of Internal Control is governed by the Corporate Governance Framework, which sets out the Council's approach to corporate governance assurance framework, for which I have general corporate oversight.



Revised Corporate
Governance A...

Within this, as Monitoring Officer, I have statutory responsibility for ensuring the Council complies with its legal requirements and conducts its business properly, I achieve this by the following;

Corporate Governance Assurance Group

Co-ordinates preparation of the Annual Governance Statement and, therefore, receives corporate lead assessments as well as identification of areas of improvement on the internal control environment.

Corporate Governance Working Group

This Group co-ordinates the review and implementation of corporate governance policies and identifying areas of work within Directorates to raise awareness and compliance with corporate governance requirements.

Monitoring Officer Group

Reviews the work of Cabinet by scrutinising the Forward Plan and raising any issues of concern.

The Monitoring Officer has delegated authority to approve and amend operational policies and procedures relating to corporate governance.

CCMT

The Monitoring Officer sits as a designated Officer on the senior corporate leadership team to advise and assist in relation to policies and strategies in compliance with legal requirements.

Audit Working Group and Audit Committee

The Monitoring Officer also attends both these Member meetings and reports on and takes an active part in relation to ensuring compliance with corporate governance policies. As Monitoring Officer, I report to this Committee with regards to compliance of corporate governance policies, including Members gifts and hospitality and register of interests (also reported to the Standards Committee).

Standards Committee

The Monitoring Officer also undertakes induction training, briefings relating to Member briefings and training on prejudice, bias and conflicts of interest. In addition it is responsible for handling any complaints against the conduct of Councillors.

Data Protection Compliance

The Data Controller co-ordinates a sub-group of the Information Governance Group, which reports directly to the Corporate Governance Working Group in relation to data protection issues. This Group reviews breaches and identifies areas for improvement.

Performance Management

Data quality is the responsibility of the Data Controller and the work is co-ordinated by the Information Governance Group.

Legislation

This area is audited and Internal Audit undertake reviews as well as reports from ICT with regards to compliance.

The Head and Assistant Head of Law and Governance undertake a significant proactive approach to legal advice and ensuring Directorates comply with all relevant statutory and regulatory requirements by way of:

- Service Level Agreements
- Meetings with Senior Directors
- Client Satisfaction Feedback
- Accounts information
- Briefings on new legislation
- Training

This is supplemented by the Corporate Governance Strategy for Legal and democratic staff which makes explicit the requirement for all staff to raise issues of concern direct to me. Their work covers the whole of the Council so its an essential component of my monitoring arrangements.



Procurement and Contracts

Contract compliance is the responsibility of the Monitoring Officer who undertakes an annual review of the Constitution and as part of that undertakes a review of the working of the Contract Procedure Rules across all Directorates. The Corporate Procurement Team undertake compliance checks with regards to these.

The Monitoring Officer controls the exemption requests and co-ordinates closely with the Contracts Team and Procurement Team to ensure that issues of concern are brought to my attention.

Contract Compliance Monitoring

The council's Contract Procedure Rules (CPRs) provide the process, procedures and guidance necessary to ensure compliance with EU and UK Public Procurement Law. The council is required to list all significant contract awards on a public list; in addition CPRs require all contracts with a value of £25,000 or more to also be included on the list. To satisfy these requirements the council publishes its Contacts Register, on the Southeast Business Portal.

Contract compliance is monitored by Purchase Order Specialists, identifying and monitoring authorisations for off-contract purchases (SRM Red Route), this ongoing process minimises the activity by providing expert advice and guidance to council purchasers. A Contract Compliance Register implemented and held by the Corporate Procurement Team, identifies, investigates and records breaches and issues of concern, with quarterly reports to the Monitoring Officer and Assistant Heads of Finance for overseeing and ensuring compliance.

Information Technology

The Data Controller and Deputy Head of ICT have responsibility for the Use of ICT Policy and Security Policy and the Policy itself is now a mandatory requirement before users are able to access their machines. Contraventions and breaches are referred to the Information Governance Group for review and reported to the CGWG.

Other Significant Internal Control Issues

The Monitoring Officer takes a pro-active lead to ensure that corporate governance awareness is high within the Council and ensures that policies and procedures are complied with including undertaking a confidential survey of Officers who have contact with Members to ensure that they are not under inappropriate or undue pressure in the performance of their work as well as a formal review of all whistleblowing allegations, which are reported in the Monitoring Officer's Annual Report.

Name: Peter G Clark, County Solicitor & Monitoring Officer

Lead officer for: Legislation

ANNEX 7

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: Human Resources

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

1. There exists a performance management framework within the service which ensures that all staff are effectively line managed through a framework of 1 to 1's and annual performance reviews. This is in place across the Council but a reminder to managers of the need for regular 1 to 1's will continue to be undertaken periodically. This will be picked up with issue of appraisal guidance. Performance and competency issues are dealt with within the framework of the Council's policies and procedures.
2. Workforce Information is provided on a quarterly basis so that sickness and turnover within the service and across the Council is monitored and action taken. This also includes information on numbers of people employed, age profiles, gender and ethnicity.
3. HR policies and procedures are documented in the HR toolkits on the intranet which includes step by step advice on how issues affecting the employment and management of people should be dealt with.
4. All HR roles in SAP have now been audited and the appropriate access attached to individuals posts.
5. There is a framework for ensuring that all new posts go through the proper authorisation via the Establishment Review System. New posts are reported to the Head of HR on a weekly basis and challenged as appropriate.
6. There is a framework in place for ensuring jobs are appropriately and consistently graded across the Council using the Council's Job Evaluation System. Job description ensures that employees are clear about the roles, responsibilities and accountabilities.
7. The performance of the HR Teams in OCS is measured through regular surveys with customers and performance against key performance indicators.

8. The levels of expected performance are detailed in the Service Level agreements for each of the HR Teams in OCS. These are monitored on a quarterly basis and are reported as part of overall HR performance to CCMT in line with broader HR scorecard reporting

9. There is a framework in place for creating and reviewing policies and procedures and consulting with the relevant Trade Unions.

10. The operational HR Teams are subject to regular audits and in some areas i.e. pay; this is on an annual basis.

11. The internal controls around H&S have been communicated separately by Vic Gore. In addition a quarterly report is provided to CCMT covering H&S actions and information on sickness, insurance claims and accidents and incidents.

12. We have an electronic booking system which can track the training undertaken by staff to ensure that mandatory training is undertaken.

13. There are processes in place to ensure that people who are absent through health issues receive appropriate advice, guidance and support from Occupational Health and Staff Care ensuring that any return to work is supported appropriately.

14. Risk Registers are in use which details the keys risks and the mitigation.

15. The Electronic Document Management system ensures employees personal data is held securely and access is restricted.

Name: Steve Munn

Lead officer for: Human Resources

ANNEX 8

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Health & Safety*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place through 2010/11.

1. Proactive Monitoring of OCC settings

A full health and safety on site visit is made to schools annually and to Directorate workplaces according to the 'risk screening criteria of setting'. The visit will cover all statutory health and safety responsibilities, including advice on practices related to the particular setting (both activities and processes). It includes a site safety tour to establish any actions needed to improve health and safety.

Monitoring visits are carried out as far as possible at mutually agreed dates and times by fully trained, professional members of the HSW team (usually with at least 6 weeks notice)

Action plans from previous visits will be examined to assess implementation against any weakness previously identified. The electronic reporting system of accidents, incidents and near misses will be interrogated to determine if there are any significant incidents or pattern of incidents to be followed up.

All monitoring reports and new action plans are produced with specified timescales. These reports are Quality Assured either by a Professional Lead or the County HSW Manager before being sent either to the manager and their line manager or, in the case of schools to the Headteacher and the Chair of Governors. Each individual is responsible for implementing the action points arising from the report. In workplaces with safety representatives a copy of the report is also given to the nominated individual. An effort grade is awarded after each visit.

All documentation is reviewed annually by a professional working group for its relevance / validity

Production of statistics to compare compliance levels year on year and, if necessary, service against service is undertaken and these are reported to CCMT and Directorate Leadership Teams.

If establishment/setting/team management has not resolved issues from previous action plans without good reason then this will be noted and will lower the current effort grade.

If the new overall grade is significantly lower than the previous year's grade or no progress has been made without good reason then the report will be escalated in accordance with the agreed protocols to nominated senior managers within the Directorate concerned so that the Directorate can investigate and support as appropriate.

If the grade is unacceptably low (less than 60% compliant) the reports will also be escalated as above *[see HSW intranet site with escalation procedures for schools and non schools]*

It is for Directorates' line managers to monitor that their manager has implemented the action plan. In schools, it is for the Governors to ensure the Headteacher complies with the requirements.

Currently where a service can show very high levels of compliance in the vast majority of their premises/settings over at least two consecutive years, with their senior managers' agreement, the service will be allowed to monitor their own establishments/settings/teams, with the HSW team only visiting a sample to ensure standards are maintained. In 2011 the services undertaking this are:-Libraries (excluding mobiles) Registrars & Coroners Services and Adult Learning

At present, all schools within the LA buy in a HSW subscription package through Quest. This subscription service for schools and governors also gives, by default, the LA assurance that HSW is being rigorously monitored in accordance with the County requirements.

Monitoring is based on the County's Health and Safety Policy and its strategy for 2010-15. It is also required under the Management of Health & Safety at Work Regulations 1999 (as amended) *[see Extract 3]*

2. Help desk service

A professionally staffed help-desk service is available for all employees in directorates and schools. Specialist and technical advice is provided including CLEAPSS and the Radiation Protection Adviser.

3. Communication

HSW communication is provided primarily through the HSW intranet site containing policies, action bulletins and procedures. Policies, procedures and guidance are produced according to legislative requirement and best practice and follow a consultation process with the Councils' Officers and Trade Unions. Regular meetings are held with the Health and Safety Executive to discuss any issues affecting OCC and to discuss best practice recommendations. Managers are set specific health and safety objectives annually.

4. Training

A training matrix details the Health and Safety training requirements for all staff and a full programme of training is provided. Managers are required to nominate their staff to attend the events appropriate to their role.

5. Service Level Agreement (SLA)

A Service Level Agreement is in place for all Directorates setting out the services that are on offer from HSW, the professional standards to be delivered and specifying the key performance indicators. The SLA details the risk ranking/screening criteria that will inform the frequency of visits.

6. Accident and incident reporting

An electronic reporting system was introduced in 2009 and enables immediate reporting of incidents. This includes 'near miss' reporting. The incidents are monitored as they are received so serious incidents are investigated immediately and trends can be identified. The team work closely with the Council's Insurance Team.

Name: Vic Gore

Lead officer for: Health & Safety

Appendix 1

County Health & Safety Policy Part 1

http://portal.oxfordshire.gov.uk/content/public/corporate/HealthSafety/2010/HS_Part_1_Policy_Oct2010Nosignatures.pdf

Appendix 2

OCC Health & Safety Intranet

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Support/Health+and+safety/>

Appendix 3

HSW SLA

http://portal.oxfordshire.gov.uk/content/public/shared_services/sla/HS_SLAJuly09.pdf

ANNEX 9

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Procurement/Contracts*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

1. a) in accordance with Contract Procedure Rules, officers must *advertise* details of all contract opportunities over £75k as they arise, and may also advertise lower value contract. b) Contracts of significant value must be *entered* on the Contracts Register, held in a database hosted on the South East Business Portal, typically those with a value exceeding £25k. County Procurement offers on-going help and support to ensure officers know how to use the Business Portal and associated contracts database. c) County Procurement officers examine orders being requested on SAP to check that they comply with mandatory contracts and preferred suppliers, and thus achieve benefits of aggregation of demand. d) All new vendor requests are processed through County Procurement and periodic checks are made to cleanse unused vendors from the system.

2. Officers must raise all purchase orders on approved systems, or in agreed circumstances using a Government Procurement Card. These transactions are monitored closely to ensure they comply to preferred contracts and suppliers, or in line with the appropriate use of the procurement card system. When either incorrect contracts or unauthorised suppliers are requested the requisitions are blocked ("red-routed") and County Procurement intervenes to correct any errors and authorise exceptional requests when appropriate.

Recurring non-compliance is initially reported to the relevant category manager in the County Procurement Team (CPT) and discussed with the customer. If the issue cannot be amicably resolved the matter is escalated to directorate management level. If a breach of Public Procurement Legislation (PPL) is potentially being invoked the County Solicitor will be notified.

3. Checks are made on the number and type of Official Journal of the European Union notices being generated by the council and these are reported to The Cabinet Office – Efficiency and Reform Group annually.

4. A register of any potential breaches of PPL is maintained by County Procurement and this is reviewed and action taken immediately a potential breach is detected. Serious potential breaches will be escalated to the County Solicitor and the Section 151 Officer, and may trigger a flag case to the Chief Executive.

5. Senior procurement managers are actively managing the relationship with de-centralised purchasing points to drive value for money and good professional practice. This includes offering and running training and development interventions for relevant staff

6. All buying points are advised to use, and are offered training to use an e-tendering package in order to streamline and simplify the contract letting process. The system makes use of toolkits and templates developed in conjunction with Legal Services to ensure compliant and professional good practice. These are available to all staff registered with County Procurement as a competent user.

Schools are not included in the above control processes but we do have a support system in place for schools.

Name: Stephen McHale

Lead officer for: Procurement/Contracts

ANNEX 10

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Information Technology*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/mechanisms to ensure internal control have been in place throughout 2010/11:

The Relevant Controls.

There are three of ICT's family of policies which contain relevant controls.

- The ICT Acceptable Use Policy.
- The Personal Data Security Breach Policy and Procedure.
- The Information Security Incident Management Policy.

In addition, the Council is subject to the Code of Connection v3.2 for Government Connect. The code of connection encompasses a number of statements of control and duplicates the previous British Standard ISO27001.

How do we know the controls are working?

- In the case of the Council's Acceptable Use Policy, individual incidents on non-compliance are escalated by an individual Service Manager and/or by HR Business Partner for information and clarification. Where non compliance is suspected by ICT through regular inspection of data logs, escalation is direct to the appropriate line manager. All subsequent actions are via the Council's disciplinary procedure.

ICT have instituted an annual exercise to ensure that all staff have taken an on-line course on the Council's Acceptable Use Policy. Failure to comply means disconnection from the network and escalation to the line manager for follow up at the Service end. In the recent exercise, more than 400 user accounts have been disabled permanently.

- Both the data breach and security incident policies contain:
 - Sections covering scope and definition.

- A governance section indicating who is responsible for the policy, who is accountable, who was consulted and who should be informed.
- There are also process flows indicating the reporting and management of various incident types.

The operation of the controls are evidenced by the reporting of incidents and breaches, the operation of the governance procedures, and correct actions following the process flows.

- The Data Security Breach policy is the most frequently used source of reports, and relate to the compromise of personal data. Calls are received by the service desk and categorised by a separate service desk procedure, as follows:
 - Code 99: Child protection.
 - Code 88: Breach of personal data security.
 - Code 77: Other incidents/ breaches of Acceptable Use Policy.
- These incidents typically relate to loss or theft of a device holding data. They have a high profile within ICT because of the possible risk to individuals, and also a national profile because of recent Information Commission Office fines.
- The Information Security Incident Management Policy applies where information systems or data may have been affected by an adverse event which may damage the Council. These events typically relate to the operation of IT systems, which require concerted ICT action laid down in an ICT information security incident handling process.

There is a degree of overlap between these two policies. Incidents of unauthorised or unexpected systems access, which are security incidents, tend to be reported as data breaches. The process flows ensure that the correct actions are taken according to the incident type.

Reporting.

- Nominated Directorate representatives have a key role in the management of any incident where directorate data is involved. The process flows ensure that this happens, and a risk matrix is available to assist with assessing the seriousness of the incident.
- A serious incident involving personal data, as identified by a risk matrix, would need to be reported to the Information Commissioners office. The ICT Lead Officer, the Council's data controller and the Assistant Chief Executive and Chief Finance Officer would take the decision to do this.
- Data security breaches are reported quarterly to the Information Governance Group.

- An information security incident would also be reported to the Information Governance Group.

Remedial Action.

A number of steps have been taken to assess the effectiveness of controls.

Any incident related to data breach or security is logged on receipt by the ICT Service Desk on the Supportworks helpdesk system, and an email is generated to the Security Incidents mailbox to ensure prompt management attention.

Each entry or update to the Supportworks system is timed.

The call will be monitored until the incident is controlled or the directorate representatives have indicated that no further ICT involvement is required. The call will continue to be “live” until it is clear that no further action of any kind is required and the call will be closed.

Close attention is paid to the time elapsed between the initial call and the incident being brought under control to make sure it is not excessive, and conclusions are drawn on all the actions taken to be reported to the Information Governance Group.

The Supportworks system is also monitored to reveal the small number of calls which have not been correctly categorised as security incidents, and service desk procedures are modified where necessary.

Government Connect

There is a Code of Connection that applies to all public sector organisations that need to exchange data with central government. DWP is the lead for central government.

The code of connection embraces a range of controls, policies and procedures relating to infrastructure integrity and security. As a local authority, Oxfordshire’s Wide Area Network (WAN) is required to meet level 3 security standards which the code of connection reflects.

How do we know the controls are working?

External inspection confirmed Oxfordshire’s compliance with the code of connection in August 2009. A further inspection by Siemens in October 2010 confirmed compliance with the revised code of connection.

Remedial Action

Key remaining action required concerns encryption of laptops which has been progressing piecemeal to date but will be taken forward as a wholesale programme for all 2200 laptops users from May 2011.

We note the perceived value for ISO27001. We have engaged a separate audit exercise with an independent assessor (Hytec) to evaluate any meaningful gap between that standard and the code of connection compliance that Oxfordshire has already achieved. That evaluation will be available to us in May 2011.

Name: Graham Shaw

Lead officer for: Information Technology

ANNEX 11

To: Directors, Chief Executive and Leader of the Council

Corporate Governance Framework

Corporate Lead Officer's Certificate of Assurance 2010/11

Control Area: *Partnerships*

As the corporate lead officer for the above control area, I confirm the following points, in order to provide you with the assurance that you need to sign the Annual Governance Statement for 2010/11:

The following systems/frameworks are in place to ensure internal control over the thematic partnerships. Please note that we are in a period of transition and all thematic partnerships are currently reviewing their roles, remits and purpose.

1. The **Partnership update report** is taken to full council 3 which focuses on the outcomes achieved by partnerships and provides a summary of their direction of travel - this covers information on the thematic partnerships only - see attached the last report:

2. The **Partnership guidelines** have been revised and available on the intranet

Please note that the Corporate Governance Assurance group agreed the revised guidelines at their previous meeting - they agreed that the revised guidelines would suffice and that it was sensible to be less prescriptive at the time given the current climate.

The revised guidance can be found on the intranet:

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Support/Partnership+working/>

3. The **Partnership Development** group meets 6 times a year which consists of the main lead officers for each of the thematic partnerships. This meeting is used to discuss changes in partnership focus and progress made in priority areas.

Name: Claire Moore

Lead officer for: Partnerships