

# Annual Governance Statement 2021/22

## INTRODUCTION

1. This is Oxfordshire County Council's Annual Governance Statement for 2021/22. It provides:
  - An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
  - A review of the *effectiveness* of the Council's governance arrangements during 2021/22;
  - A *conclusion* in relation to the effectiveness
  - A review of the *action plan* completed in 2021/22
  - An *action plan* for 2022/23
  - An *annex* summarising our governance framework

The Annual Governance Statement is required by law<sup>1</sup> and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting. For this year, CIPFA advised that authorities should continue to consider the impact of the COVID-19 pandemic on their governance arrangements. They should refer to any significant impacts and adaptations in the year, and this may include:

- adaptation to reflect new ways of working or emergency arrangements
- changes to 'business as usual' activities
- longer-term changes to priorities, programmes, strategies, and plans.

## STATEMENT OF OPINION

2. It is our opinion that the Council's governance arrangements in 2021/22 were adequate and provide a platform for achieving the Council's priorities and challenges in 2022/23. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, the Council's governance in dealing with the pandemic and our ability to maintain sound governance during the outbreak, has been adequate.

## SIGNATURES

Signed on behalf of Oxfordshire County Council:

Chief Executive

Leader of the Council

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<sup>1</sup> Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015

## **REVIEWING OUR EFFECTIVENESS DURING 2021-22**

This review looks at:

- Effectiveness of the Council's governance – generally and in relation to COVID-19
- Conclusion about this effectiveness
- Internal Audit function during 2021/22
- Our statutory governance roles
- Review of actions 2021/22
- Actions for 2022/23
- Outline of our governance

### **Overview**

3. The Council has reviewed its overall effectiveness both in general and with regard to the COVID-19 pandemic challenges faced and those which it continues to face during recovery.
4. The decision to terminate the S113 partnership agreement with Cherwell District Council was taken at the Council meeting on 8 February 2022. The Joint Officer Transition Working Group reporting to the Joint Shared Services and Personnel Committee (JSSP) will oversee the decoupling project to ensure a smooth transition for each authority. Both Councils have agreed to a 6-month termination period, concluding on 31 August 2022. Since the Council decision on 8 February 2022, significant progress has been made in decoupling the services.

### **Generally:**

5. Two of the action points for 2021/22 were completed as outlined in Annex 1, with a third action relating to the Constitution Review being extended to 31 July 2022, as agreed by the Audit & Governance Committee. The progress of these actions was reported to the Audit and Governance Committee throughout the year.
6. Specific action points for 2022/23 are set out in Annex 2. The Council believes these actions will help to establish some improved practices arising out of our experience in 2021/22.

7. Here are just some ways in which the Council's governance has proved effective during 2021/22
- a) All new members elected to the Council in May 2021 were invited to induction sessions which included:
    - Chairing Skills
    - Local Government Finance
    - Member Code of Conduct
    - Bite size Service Sessions with Corporate Directors
    - IT Tips and tricks
    - Information Governance for Members
    - The Constitution
    - Equality, diversity and inclusion
  - b) Following the ending of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 on 6 May 2021, physical meetings were reintroduced from 7 May 2021. Whilst all decision making must be in person, the Council has implemented a hybrid facility to allow for virtual attendance of officers, members of the public, and non-decision making Councillors.
  - c) To enable a greater range and depth of scrutiny activity inclusive of a wider range of members of the Council, a broader set of overview and scrutiny committees was introduced unanimously at Council on 13 July 2021
  - d) Two out of three actions from last year's governance statement were tracked to completion, with periodic reports to the council's Audit & Governance Committee, as set out in paragraph 5.
  - e) Review of the Audit Working Group Terms of Reference on 16 March 2022. This is subject to annual review. The March 2022 review identified improvements to Audit Working Group operational arrangements, including a move from standing agenda items, to ensuring a more coordinated work programme which is directed by the Audit and Governance Committee to review specific areas of governance, risk and control.
  - f) New Oxfordshire Code of Conduct, based on LGA model, recommended for adoption by Council, and adopted with effect from 1 May 2022.
  - g) Whistleblowing policy reviewed and implemented, with contact channels updated.
  - h) Positive assurance on Financial Management Code of Practice compliance (see annex 5)
  - i) The Monitoring Officer provided her [annual report to the Audit & Governance Committee](#) on her view on the Council's governance arrangements. This review was formally reported to and endorsed by the Audit & Governance Committee on 15 September 2021. This report confirmed the progress in maintaining democratic accountability and transparency with members continuing to undertake their role as community leaders

### **During COVID-19**

8. The ongoing impact and management of COVID-19 remained a dominant feature of 2021/22. The Council remained a key local partner in managing the system-wide response to the pandemic and in ensuring the on-going delivery

of critical services, impacted by both increased service demand and COVID related staff absence.

## **COVID Governance**

9. Following the direction of the Re-start, Recovery and Renewal strategy published in June 2020 and updated in June 2021, COVID-19 as an issue was increasingly integrated into mainstream council business alongside other new and emerging priorities. As such, the performance, financial and strategic risk impacts of COVID-19 have been incorporated into the mainstream corporate business management reporting framework providing opportunities for member oversight and challenge.
10. Management governance at the system level has been overseen through the ongoing role of the Oxfordshire System CEO Coordination Group, made up of the Chief Executives from Oxfordshire's key public services. This group has ensured the join up and oversight of the local authority and health gold level pandemic response and is responsible for co-ordinating overall strategy and direction, and for deploying resources across the county. The System Wide CEO Coordination Group links to the Oxfordshire System Leaders Group made up of the non-executive leaders of participating organisations including Council Leaders, the Police and Crime Commissioner and the Board Chairs of OxLEP and NHS organisations. The System Leaders Group ensures accountability and challenge at the political level.
11. The System CEO Coordination Group received updates and reports from the Health Protection Board (HPB), led by the Director of Public Health. HPB is responsible for the delivery of the for the delivery of the Local Outbreak Management Plan which aims to prevent, contain, and manage outbreaks of COVID-19. It is supported by Systems Silver which coordinates the system-wide response to wider issues relating to COVID including resource allocation and community support.
12. At the organisational level, the Chief Executive's Direct Reports (CEDR) and its successor, the Senior Leadership Team (SLT), is responsible for operational delivery of the pandemic response within the Council. CEDR received regular briefings on the COVID-19 Programme throughout 2021/22 and ensured that the Cabinet members, opposition leaders and all members were briefed and informed on all aspects of the pandemic response. During periods of high staff impact and high staffing impact in December 2021 and January 2022, CEDR reconvened as CEDR Gold to deliver enhanced urgent response capacity.
13. A joint Oxfordshire County Council/Cherwell District Council Silver at Director and Deputy-Director level was comprised of those responsible for implementing the strategic direction set by CEDR/SLT, in support of the overall systems response.
14. In February 2022, Cabinet adopted an Oxfordshire Wide COVID-19 Recovery and Renewal framework sought to learn the key lessons from COVID and to

set out shared ambitions for future joint working to inform new strategic planning at the partnership level.

### **Impact on Democratic Function**

15. In May 2021, the provision to hold formally convened democratic meetings remotely was ended and face to face meetings returned. COVID-secure measures including enhanced cleaning, ventilation and the wearing of masks were put in place. While in some cases the number of individuals able to be present in meeting rooms was limited, the new facility to hold meetings in a hybrid environment allowed non-voting Councillors and members of the public to participate even if not able to be present. On a very small number of occasions, the Council operated 'quorum-only' voting where the majority of members participated remotely and were represented in votes by those present.

### **Partnership Decoupling**

16. In February 2022, Oxfordshire County Council and Cherwell District Council agreed to the required six months' notice for the termination of the s113 agreement dated 31 August 2018, governing joint working between the two councils.

17. In order to ensure appropriate separation of decision making and to fully serve the interests of each council through the termination process, the councils also agreed to separate the statutory roles of Head of Paid Service (Chief Executive), Monitoring Officer and s151 Officer, with immediate effect. As such, for each of these roles, each council has either made an interim appointment or the substantive post holder has returned to serving only their employing authority.

18. In the decision agreeing to terminate the agreement, both councils agreed an ongoing role of the Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement.

19. A Joint Officer Transition Working Group has been established and a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making.

20. Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.

21. Full details of the termination are set out in Council Papers for 7 and 8 February 2022 for Cherwell District Council and Oxfordshire County Council respectively and progress on the ongoing programme of work to terminate the agreement is reported monthly meetings of the JSSP.

## **Corporate Programmes**

22. The Council is currently reviewing its programme management resource in the Corporate Programmes team in light of the forthcoming separation of Oxfordshire and Cherwell resources.
23. Going forwards, the Corporate Programmes team will be focusing on providing support to large corporate projects with a cross-organisation impact. However, the team can bring in interim project managers for service-specific projects as and when required.
24. The aim is to provide a consistent and professional approach to project and programme management across the organisation. To help with this, the Corporate Programmes team have set up a project management network to bring together Project Managers across the Council in order to share learning and best practice.

## **Risk Management**

25. An Annual Review of the Council's Risk Management Strategy was completed. For 2022/2023 the focus will be on Risk Management training across the organisation to support strategy for the Senior and Extended Leadership Teams (SLT/ELT). Training will be completed by September 2022.

## **Internal audit in 2021/22**

26. The 2019 CIPFA Statement on the "Role of the Head of Internal Audit in public service organisations" outlines the principles that define the core activities and behaviours that belong to the role of the 'Head of Internal Audit' and the governance requirements needed to support them. The Council's arrangements conform with the governance requirements of the CIPFA statement with our Chief Internal Auditor carrying out the following:

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
- championing best practice in governance and commenting on responses to emerging risks and proposed developments.
- being a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee
- leading and directing an internal audit service that is resourced appropriately, sufficiently, and effectively
- being professionally qualified and suitably experienced.

27. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The self-assessment against the standards is completed on an annual basis. It is a requirement of the PSIAS for an external assessment of internal audit to be completed at least every five years. This took place in November 2017 and the results were reported to the Audit & Governance Committee in January 2018. This confirmed that the "service is

highly regarded within the Council and provides useful assurance on its underlying systems and processes". This is next due in 2022.

28. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2022, there is **satisfactory** assurance regarding Oxfordshire County Council's overall control environment and the arrangements for governance, risk management and control. Where issues have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.
29. As part of governance arrangements between Oxfordshire County Council and the Hampshire Partnership/Integrated Business Centre (IBC), Hampshire provide annual assurance on the adequacy and effectiveness of governance, risk management and control from the work carried out via the IBC. This is provided through a commissioned Service Organisation Controls review under ISAE 3402. (International Auditing and Assurance Standards Board –which provides a framework for reporting on the design and compliance with control objectives related to financial reporting). The report for 2021/22 concludes that the key financial system controls were suitably designed and operated effectively, with no exceptions noted.
30. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by the Internal Audit team and the Audit Working Group. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

### **Financial Management Code ('FM Code')**

31. A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Inevitably, the impact of COVID-19 has continued to test that financial resilience in 2021/22 and will do so in coming years. Following the formal adoption of the CIPFA Financial Management (FM) Code in 2021/22 local authorities should now disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.
32. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As set out in Annex 5, an assessment has been made of the Council's current compliance with the Code for 2021/22. The assessment identified the Council's compliance for the year, and all 19 Standards have been assessed as Green meaning that compliance can be evidenced. Where relevant, proposed further actions that can be taken to enhance compliance have been included in the assessment.

## Our statutory governance roles

33. The Council is required to appoint to three specific posts, each of which oversees a key aspect of the Council's governance:

- **Head of the Paid Service** (HOPS) role – Yvonne Rees, Chief Executive, remained in post until the decoupling of the Councils was announced. From 9 February 2022 Stephen Chandler was appointed as the Council's Interim Chief Executive: responsible for how the Council's functions are delivered, and the appointment and proper management of staff
- **Monitoring Officer** – and the Council's Director of Law and Governance, throughout 2021/22 has been and remains Anita Bradley.
- **'Section 151 Officer'** – the Chief Finance Officer, throughout 2021/22 has been and remains Lorna Baxter: responsible for the financial management of the authority.

34. Each of the postholders is an integral member of the Council's most senior leadership team (SLT). As such, they are fully sighted on all of the Council's objectives, workstreams and emerging plans; and their perspectives and voices continue to be heard in, and to influence, this senior forum. In line with best practice, from February 2022, the Chief Finance Officer reports directly to the Interim Chief Executive.

35. The Chief Finance Officer and the Monitoring Officer both have open access to the Chief Executive at all times. They carry a statutory responsibility to report issues to Full Council, if needed. As such, the posts remain pivotal to the Council's good governance.

## Governance Actions – Review of 2021/22 and priorities for 2022/23

36. The following two annexes summarise:

Annex 1: updates on the priority actions for 2021/22

Annex 2: actions for 2022/23

37. The Actions for 2021/22 in Annex 1 highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the Council's Audit & Governance Committee. As such, progress reports on these actions are reported to the Committee through the year. The Actions for 2022/23 in Annex 2 will be monitored by the Corporate Governance Assurance Group (CGAG), and the Audit & Governance Committee.

38. Other governance and audit activity across the Council will continue to be reported to [Audit & Governance Committee](#) through its normal work programmes

## Governance in Outline

39. Annex 4 sets out the Council's governance framework in outline. This was updated in March 2022, following a review by the Corporate Governance Assurance Group and Extended Leadership Team (ELT).



## **Conclusion**

40. The Council's governance arrangements are regarded as fit for purpose will be monitored throughout 2022/23.

## ANNEX 1 - SIGNIFICANT GOVERNANCE ISSUES

### *Actions identified for 2021/22 - Update*

41. This is a review of the progress during 2020/22 on the priorities for that year.  
The actions identified were completed in-year

Actions that were planned for 2021/22	Original Timescale	Outcome
<ul style="list-style-type: none"> <li>• To develop an OCC/CDC Procurement Strategy and OCC/CDC Social Value Policy and seek formal approval from CEDR (i.e. the Council's senior management team – Chief Executive's Direct Reports) for both documents. Ensure all staff are fully briefed and trained on the content and their respective obligations.</li> <li>• The new Provision Cycle Hub and Spoke functional model will fully define contract management accountability across the Councils. To help fulfil this accountability the council will enhance its contract management systems and processes and provide a training programme to support contract management skills improvement.</li> <li>• The electronic Contract and Supplier Management System (eCMS) functionality has been enhanced and will continue to be reviewed as part of the Provision Cycle transformation programme.</li> <li>• This will include an improvement plan with the expectation to develop and</li> </ul>	<p>A new joint procurement strategy will be presented to CEDR by end July 2021.</p> <p>The new Social Value Policy, including Climate Change elements, will be presented to CEDR by July 2021. It will be implemented as appropriate across all tenders from July 2021.</p> <p>All contracts will be stored in the eCMS to demonstrate a complete Forward Plan in terms of current active contracts and renewal timescales. It will be a live document driving procurement engagement across all service areas.</p>	<p>A Social Value Policy has been drafted and was reviewed at a meeting of the Chief Executive's Direct Reports (CEDR, now SLT), the Council's senior management team. It was adopted on 15 February 2022.</p> <p>This will apply to all tenders above a threshold of £100,000 across Oxfordshire County Council and will involve the use of the third-party supplier Social Value Portal, who have provided this service for many other Councils across the UK. There is a degree of flexibility to ensure that the selected topics for Social Value are relevant to that particular tender and will include elements relating to Carbon Net Zero: for example, reductions in carbon emissions and air pollution, ensuring that the natural environment is safeguarded, and that resource efficiency and circular economy solutions are promoted.</p> <p>The creation of the Procurement Handbook has ensured a consistent approach to procurement and contract management across both OCC and CDC,</p>

Actions that were planned for 2021/22	Original Timescale	Outcome
<p>implement improvements that will provide management and controls across the full cycle of Commissioning, Procurement and Contract Management.</p> <ul style="list-style-type: none"> <li>This will enable a consistent, council-wide approach enabling 100% visibility of requirements throughout the provision cycle, ensuring all contracts are effectively managed.</li> </ul>		<p>with all Procurement officers using this document as a standard way of working. This includes definitions as to which area is accountable for which processes throughout the procurement cycle. This was implemented in March 2021. The Handbook was reviewed and refreshed in March 2022 to ensure that it was still relevant and contained appropriate templates and processes, following the first year of usage.</p> <p>The procurement strategy is in draft format and will be presented to SLT in Autumn 2022. The Atamis system continues to act as the central document repository for Procurement. All tenders, contracts, and extensions are stored within it, enabling a Forward Plan to be created to identify which contracts will be up for renewal at what point.</p> <p>A detailed Procurement update was presented to Audit &amp; Governance Committee on 5 January 2022.</p>
<p>Review of post-COVID governance arrangements:</p> <ul style="list-style-type: none"> <li>The Corporate Governance Assurance Group will continue to monitor, support and engage with Corporate Lead areas; and governance will be reviewed in a more integrated way with ELT (i.e. the Extended Leadership Team of senior managers) and CEDR</li> </ul>	<p>Monthly review by Corporate Governance Assurance Group</p> <p>Paper to ELT and CEDR in Q.2 and each Quarter thereafter to update on</p>	<p>The Council's Corporate Governance Assurance Group has continued to meet monthly to oversee governance arrangements.</p> <p>. A Local Code of Corporate Governance has been drafted with the oversight of CGAG and with input from ELT representatives. SLT have reviewed the Code</p>

<b>Actions that were planned for 2021/22</b>	<b>Original Timescale</b>	<b>Outcome</b>
<p>(the council's senior leadership team – Chief Executive's Direct Reports) to ensure issues are effectively identified and tracked. This integration will be reflected in the engagements and reports to the Audit &amp; Governance Committee.</p> <ul style="list-style-type: none"> <li>The Corporate Governance Assurance Group will continue to review the Council's governance, including its internal controls, policies and transparency arrangements.</li> </ul>	<p>progress Local Code of Corporate Governance reviewed by ELT in Q2 for consideration by Audit &amp; Governance Committee in September or November.</p> <p>Report to Audit &amp; Governance Committee at September, November, January and March meetings on any emerging governance issues</p>	<p>ahead of Committee being invited to comment on the draft on May 2022.</p> <p>Unlike the Annual Governance Statement, there is no statutory requirement for a Local Code of Corporate Governance. Rather, 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 by the Chartered Institute of Finance and Accountancy.</p>
<p><b>Constitution Review</b></p> <ul style="list-style-type: none"> <li>Undertake a cross-party review of the whole Constitution with the Audit &amp; Governance Committee making recommendations to Full Council for the adoption of a revised and inclusive Constitution. To include a review of the visibility/accountability of the underlying Officer Schemes of Delegation (Powers and Finance).</li> </ul>	<p>31 March 2022</p>	<p>The Constitution Working Group advised Audit &amp; Governance Committee that the timescale in which to produce a revised Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022.</p> <p>The Audit &amp; Governance Committee agreed to extend the deadline for the review until July 2022.</p>

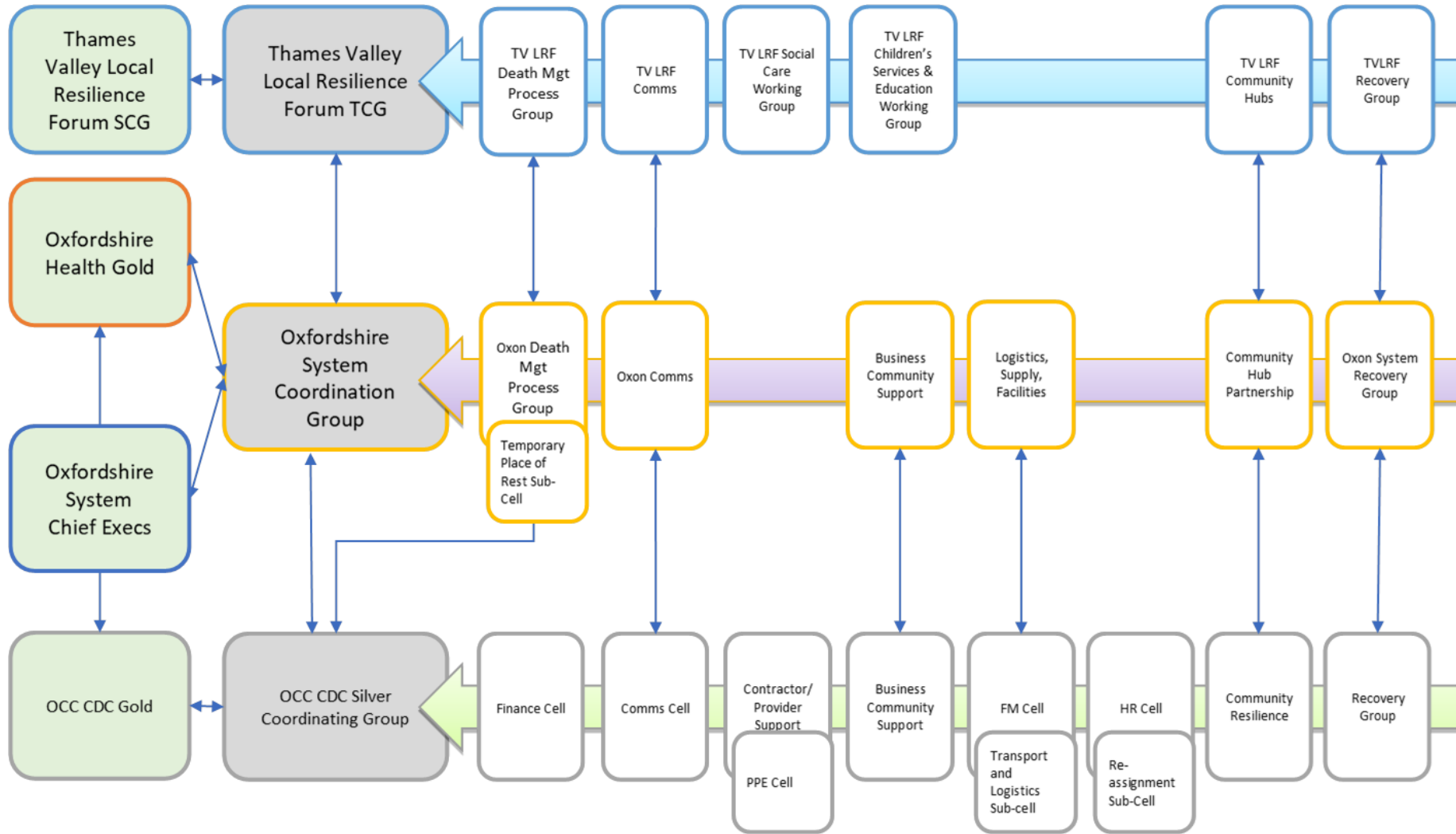
## ANNEX 2 - SIGNIFICANT GOVERNANCE ISSUES

### *Actions identified for 2022/23*

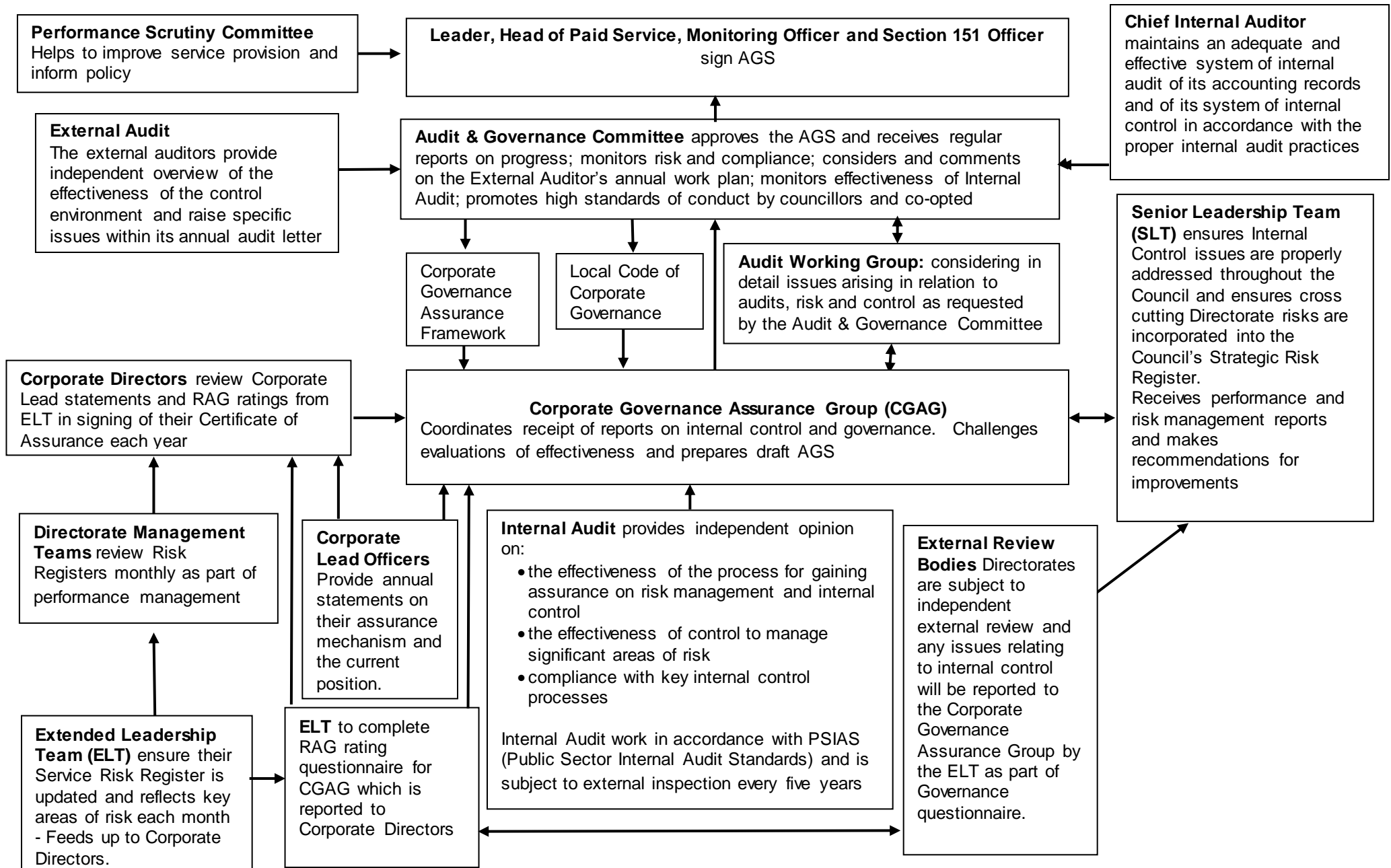
	Action now planned for 2022/23	Timescale for Completion	Responsible Officer	Monitoring Body
1	<p><b>Directorate Scheme of Delegation: Powers and Financial Powers</b></p> <ul style="list-style-type: none"> <li>To review and update all outwardly facing documentation, as well as review the location of information.</li> </ul>	31 July 2022	Anita Bradley, Director of Law & Governance, and Ian Dyson, Assistant Director for Finance	Senior Leadership Team (SLT)
2	<p><b>Cherwell-Oxfordshire Decoupling Programme</b></p> <ul style="list-style-type: none"> <li>Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement.</li> <li>A Joint Officer Transition Working Group will oversee a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making.</li> <li>Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.</li> </ul>	31 August 2022	Robin Rogers, Programme Director – Covid Response	Senior Leadership Team (SLT) and Audit & Governance Committee
3.	<p><b>Constitution Review</b></p> <ul style="list-style-type: none"> <li>The Constitution Working Group advised Committee that the timescale in which to produce an updated Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022.</li> </ul>	31 July 2022	Anita Bradley, Director of Law & Governance	Audit & Governance Committee

	<ul style="list-style-type: none"> <li>• Committee agreed to extend the deadline for the review until July 2022.</li> <li>• Update to be provided to Committee in due course.</li> </ul>			
4.	<b>Capital Programme</b> <ul style="list-style-type: none"> <li>• Governance has been reviewed for implementation throughout 2022/23</li> </ul>	31 March 2023	Lorna Baxter, Chief Finance Officer and Belinda Dimmock-Smith, Capital Programme Manager	SLT
5.	<b>Data Subject Access Requests</b> <ul style="list-style-type: none"> <li>• Review resource to deal with data subject access requests in view of an increase in the numbers of requests being received.</li> </ul>	25 April 2022	Anita Bradley, Director for Law & Governance	SLT
6.	<b>Member Code of Conduct Training</b>	May 2022	Anita Bradley, Director of Law & Governance	Audit & Governance Committee
7.	<b>Information Governance Group/Board</b> <ul style="list-style-type: none"> <li>• To review the reporting framework for the Information Governance Group (IGG), and Information Governance Board. Work on this is due to commence on 25 April 2022.</li> </ul>	16 May 2022	Anita Bradley, Director of Law & Governance	SLT
8.	<b>Risk Management Training</b>	September 2022	Ian Dyson, Assistant Director of Finance and Louise Tustian, Head of Insight and Corporate Programmes	SLT

# Annex 3 – COVID-19 Command and Control Structure



# Overview of Corporate Governance Assurance Framework





Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
<b>1. Responsibilities of the Chief Finance Officer (CFO) and Leadership Team</b>				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM. This is evidenced by the use of benchmarking to inform the changes agreed through the Property Services Transformation, for example. Procurement decisions consider VfM by considering the quality of service and not just price.	Consider the development of processes for evidencing benchmarking across services in a more systematic way.	GREEN
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is qualified accountant with significant experience working as an active member of the council’s leadership team. The CFO is a member of CEDR (Chief Executive Direct Reports) and has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		GREEN
<b>2. Governance and Financial Management Style</b>				
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Governance and Assurance Group (CGAG) exists to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.		GREEN
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement (AGS) includes internal audit opinion on effectiveness of internal control environment and systems of internal control.  The updated Local Code of Governance is included as part of the agenda for Audit & Governance Committee in January 2022.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation.	Further develop the Business Management & Monitoring Report to improve visibility and links between performance, risk and finance reporting and highlight key issues that need to be considered.	GREEN
<b>3. Long to Medium-Term Financial Management</b>				
F	The authority has carried out a credible and transparent financial resilience assessment	Financial resilience is considered as part of the Leadership Risk Register.  The forecast level of General Balances is reported against the minimum risk assessed level for balances monthly taking into account the latest monitoring position in the current year.		GREEN
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium term. Business and Budget Planning Reports to Cabinet clearly set out the financial planning environment, risks and any assumptions made.		GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	An annual Capital and Investment Strategy is set by Council alongside a ten-year Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for CEDR and Cabinet. Mid-term and Outturn Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year MTFS linked to service plans and performance reporting through the Business Management & Monitoring Report.	Continue to build the link between service plans and budgets and further improve the linkages between service performance and financial outcomes through enhancements to the Business Management & Monitoring Report.	GREEN
<b>4. The Annual Budget</b>				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		GREEN
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	The CFO's Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.		GREEN
<b>5. Stakeholder Engagement and Business Plans</b>				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<p>The Council undertakes an annual public consultation on the budget proposals.</p> <p>Engagement on the Oxfordshire Fair Deal Alliance's priorities took place in autumn 2021 with consultation on detailed budget proposals running from early December 2021 to January 2022.</p> <p>The Performance &amp; Corporate Services Overview &amp; Scrutiny Committee considers and comments upon the budget proposals ahead of the budget being agreed by Council.</p>	Engagement & Consultation feedback will be used to inform the development of the council's strategic plan.	GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented.	Planned improvements to capital governance processes will strengthen capacity for scrutiny of business cases and plans for capital schemes.	<b>GREEN</b>
<b>6. Monitoring Financial Performance</b>				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The monthly Business Management and Monitoring Report to Cabinet enables the council's leadership team and Cabinet to respond to emerging risks and to take action to manage those.	As part of planned improvements to capital governance and reporting, the quarterly Capital Programme monitoring report requires enhancement to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.	<b>GREEN</b>
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The monthly Business Management and Monitoring Report to Cabinet includes monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).	Increase visibility of relevant balance sheet items for directorate leadership teams as part of process to sign off the Business Management & Monitoring Report.	<b>GREEN</b>
<b>7. External Financial Reporting</b>				
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code)	The annual accounts are produced in compliance with The Code and have received an unqualified audit opinion. Statutory deadlines for publication of the accounts are consistently met. The audit of the 2020/21 accounts is on-going as at January 2022 following a requirement to restate fixed asset valuations.		<b>GREEN</b>
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The council's leadership team and Cabinet consider outturn report and year end variances in a timely manner enabling strategic financial decisions to be made as necessary.		<b>GREEN</b>