

# Annual Governance Statement 2019/20

## INTRODUCTION

1. This is Oxfordshire County Council's Annual Governance Statement for 2019/20. 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 2019/20;
- A *conclusion* in relation to the effectiveness
- A review of the *action plan* from last year's statement
- An *action plan* for 2019/20
- 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 (CIPFA). This year, the Statement also highlights the governance issues posed by the COVID-19 pandemic.

## STATEMENT OF OPINION

2. It is our opinion that the Council's governance arrangements in 2019/20 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2020/21. 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 effective.

## SIGNATURES

Signed on behalf of Oxfordshire County Council:

..... Date ..... Date .....

Yvonne Rees  
Chief Executive

Lorna Baxter  
Chief Finance Officer

..... Date ..... Date .....

Councillor Ian Hudspeth  
Leader of the Council

Steve Jordan  
Monitoring Officer

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

# REVIEWING OUR EFFECTIVENESS DURING 2019-20

This review looks at:

- Effectiveness of our governance – generally and in relation to COVID-19
- Conclusion about this effectiveness
- Internal Audit function during 2019/20
- Our statutory governance roles
- Review of actions 2019/20
- Actions for 2020/21
- Outline of our governance

## Overview

3. We have reviewed our overall effectiveness both in general and with regard to the COVID-19 pandemic

## Generally:

4. All action points for 2019/20 were completed as outlined in Annex 1. The progress of them was reported to the Audit and Governance Committee throughout the year.
5. Specific action points for 2020/21 are set out in Annex 2. We think these actions will help to embed some key governance issues arising out of our experience in 2019/20, including the implications of the COVID-19 pandemic. Our experience is also very much allied to that of our partner authority, Cherwell District Council.
6. Here are just some ways in which our governance has proved effective during 2019/20
  - ❖ In partnership with Cherwell District Council, the Council has delivered [a joint senior management structure](#) across both authorities .
  - ❖ The Audit & Governance Committee reviewed that Partnership's governance arrangements at its meeting on 8 May 2019 and was satisfied with their effectiveness.
  - ❖ The council set and operated within a budget that included a modest council tax increase.
  - ❖ Key governance issues were tracked through a set of Corporate Leads reporting into our over-arching 'Corporate Governance Assurance Group' of senior officers; with periodic reports to the council's Audit & Governance Committee,
  - ❖ A mandatory Data Protection e-learning course for staff was launched in year to update knowledge and further embed changes since the General Data Protection Regulations.
  - ❖ The Monitoring Officer reported to Cabinet and to Performance Scrutiny on a [an Ombudsman finding \('a public report'\)](#), with the important recognition from the Ombudsman that the Council had been proactive in learning the appropriate lessons;
  - ❖ The Monitoring Officer provided his [annual report to the Audit & Governance Committee](#) on his view on the Council's governance arrangements. This review

was formally reported to, and endorsed by, the Audit & Governance Committee in September 2019.

- ❖ The Council successfully delivered a County Council by-election for the Wallingford Division in Autumn 2019 with subsequent induction for the elected councillor.
- ❖ The Council recruited additional independent members to its Independent Remuneration Panel on members' allowances, thereby enabling the Panel's views to continue to be sought as necessary.
- ❖ The Council has undertaken a review of its formal complaints handling processes – looking at how we can improve the quality of responses and maximise our learning from customer complaints: this is being implemented.

## During COVID-19

7. Common with other authorities, we had to act swiftly to meet the demands of the pandemic. We are confident that we were able to do so without compromising good governance and democratic accountability. Our reaction benefited from:

- Clear leadership structure
- Dedicated Gold and Silver Command structures
- Partnership working with Cherwell District Council
- Risk assessments
- Flexible and reactive approach.
- Regular engagement with the administration and Political Group Leaders so as to aid transparency of actions being taken

## Impact

8. Clearly, **democratic decision-making** was not possible for a short period while legislation was passed to enable virtual meetings. In the interim, agendas were reviewed and delegated officer decisions deployed where needed as allowed by the Constitution. A fast-track project soon established viable online decision-making through MS Teams with councillor and officer training.
9. This also included the facility for members of the public to engage in such meetings e.g. for questions and presentation of petitions. A **revised Constitution and protocol** was devised, consistent with our Constitution's key principles of openness, transparency and accountability. The councillor constituency voice was also maintained through the designation of a specific email address for councillors to raise COVID related issues on behalf of their communities.
10. Clearly some services, more reliant on physical space, were also impacted – e.g. the **Registration Service**. The Council reviewed the options in the light of legislation, its business continuity processes and has prioritised the Registration Services in its reopening of County Hall, Oxford, with socially distanced and risk-assessed measures in place. It was part of the Council's learning curve as to just how much Council business could be successfully done remotely, with

secure and effective technology. To that extent, our **business continuity plans** were tested and found largely to be very effective.

### Command structure

11. The Council's **Gold and Silver Command** structures have worked fluidly. This snapshot of the structure at Annex 3 demonstrates how the Council has been able not only to keep a grip on the bigger picture but also get into the detail of practical issues ranging from community and voluntary co-ordination, communications and business continuity. Plugging this into the wider **regional structures** (e.g. **Thames Valley Local Resilience Forum**) ensured as great a flow of information/experience as possible. Such partnership working has been key, particularly with District Council colleagues.

### Beyond COVID-19

12. In some ways, the Council's reaction to the pandemic has **fast-tracked the development** of key governance issues: the safe and reactive deployment of technology (to enable almost seamless homeworking and virtual meetings); business continuity awareness and practices; working without silos, service-planning becoming more aware the cross-cutting interplay of services; reviewing the portfolio of property; enhanced focus on security, wellbeing and health and safety; greater day to day senior manager co-operation and commitment; and the deepening of the Cherwell District Council/Oxfordshire County Council partnership, with the whole pandemic management being undertaken jointly through the Gold and Silver command structures.

13. **Going forward**, the resource implications of the pandemic will be a challenge for the local government sector. The Council's governance experience of COVID-19, alongside that of its partner, Cherwell District Council, is likely to shape future planning as we manage the delivery of quality services and democracy in the post-COVID world:

- Use of buildings and remote working
- Business continuity, risk assessment and project planning
- Fluidity and accountability of decision making
- Smart use of technology and digital engagement and solutions
- Financial management

14. The Council has approved (jointly with Cherwell District Council) a robust recovery strategy – "**Restart Recover Renew**". Importantly, this strategy aspires not only to move from recovery to normal business. It also recognises the opportunity to learn from our experience and to transform our services for the better.

## Internal audit in 2019/20

15. 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 as our Chief Internal Auditor:
- 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.
  - be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee
  - lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively
  - be professionally qualified and suitably experienced.
16. The Monitoring Officer sought feedback on the quality and effectiveness of the Internal Audit Service from Senior Managers across the council, reporting back to the Audit and Governance Committee in March 2019. The conclusion from the survey was that management find the internal audit service effective in fulfilling its role. The next survey is planned for 2021.
17. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The annual 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”.
18. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2020, there is **satisfactory** assurance regarding Oxfordshire County Council’s overall control environment and the arrangements for governance, risk management and control. Where weaknesses have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.
19. As part of governance arrangements developed when Oxfordshire County Council joined the Hampshire Partnership in July 2015, it was agreed that the Southern Internal Audit Partnership (SIAP) would provide annual assurance to Oxfordshire County Council on the adequacy and effectiveness of the

framework of governance, risk management and control from the work carried out by the partnership, via the Integrated Business Centre (IBC).

20. Due to the onboarding of three new partners, for 2019/20 the assurance arrangements were amended. The Hampshire Partnership/IBC commissioned Ernest and Young (EY) to undertake a 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 2019/20 concludes that the controls related to the control objectives were suitably designed and operated effectively, with no exceptions noted.
21. 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.

### **Our statutory governance roles**

22. 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 – which is our Chief Executive, Yvonne Rees: how the Council's functions are delivered, the appointment and proper management of staff
  - **Monitoring Officer** – throughout 2019/20 and early 2020/21 this was Nick Graham, Director of Law and Governance: responsible for the Council's Constitution, the lawfulness and integrity of its decision-making and the quality of its ethical governance. With Nick leaving in early June, interim arrangements were put in place to provide cover.
  - **'Section 151 Officer'** – the Chief Finance Officer, throughout 2019/20 has been and remains. Lorna Baxter: responsible for the financial management of the authority.
23. Each of these roles continued to be performed soundly during 2019/20. Each of the postholders is an integral member of the Council's most senior leadership team (CEDR – Chief Executive Direct Reports). 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. This is integral to the Council's good governance.
24. Therefore, while the Chief Finance Officer and Monitoring Officer have not reported directly to the Chief Executive throughout this period, in line management terms (reporting rather to the Corporate Director for Commercial Development, Assets and Investment), their statutory functions continue to be impactful. Both postholders also retain their legal responsibility to report directly to Full Council on any matters that would be of concern to them and have ready access to the Chief Executive at all times.

## **Governance Actions – Review of 2019/20 and priorities for 2020/21**

25. The following two annexes summarise:

Annex 1: updates on the priority actions for 2019/20

Annex 2: actions for 2020/21

26. The Actions in Annex 2 will continue to be monitored by the Corporate Governance Assurance Group, the Audit Working Group and the Audit & Governance Committee. The Actions for 2020/21 highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the Council's Audit & Committee. As such, progress reports on these actions will be reported to the Committee through the year.

27. 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**

28. Annex 4 sets out the Council's governance framework in outline.

July 2020

## ANNEX 1 - SIGNIFICANT GOVERNANCE ISSUES

### *Actions identified for 2019/20 - Update*

29. This is a review of the progress during 2019/20 on the priorities for that year.  
The actions identified were completed in-year

Actions that were planned for 2019/20	Original Timescale	Outcome
<p><b>Property and Security</b></p> <p>Deliver on the remaining outcomes of the property audit (health and safety), which established the compliance position, post-Carillion: meet the Key Performance Indicators that have has been put in place to address all the main compliance areas,</p> <p>Establish greater integration between the property and corporate security functions, at managerial and project level.</p> <p>Achieve and maintain prompt renewals of rentals and leases; together with greater level of reporting on the use of properties.</p>	<p>May 2020</p> <p>March 2020</p> <p>March 2020</p>	<p>Ongoing work with Health and Safety Team to progress and deliver the outstanding actions.</p> <p>As reported to the Audit &amp; Governance Committee in November 2019, the work to develop a Security Strategy and a more Corporate approach to Security delivery is ongoing. In conjunction with Health and Safety, Emergency Planning, the Fire Service, Social Care and Procurement. In support of this, Facilities Management have designed and carried out an initial fact-finding survey of sites Countywide to look at the current Security position and systems. The work of Estates Team function is ongoing and tenure management is being maintained.</p> <p>Achieved, and the work of Estates Team function is ongoing and tenure management is being maintained.</p>



Actions that were planned for 2019/20	Original Timescale	Outcome
<p><b>Business Continuity</b></p> <p>Embed sound business continuity framework across the Council to monitor awareness and compliance. In particular to:</p> <ul style="list-style-type: none"> <li>- Increase the evidence base for Business Continuity Plans</li> <li>- Achieve a documented business continuity testing strategy/plan</li> <li>- Implement a testing exercise plan and programme</li> <li>- Identify training needs across the council based on the evidence of testing and plan quality</li> </ul>	<p>March 2020</p> <p>May 2019 – May 2020</p> <p>May 2019</p> <p>May 2019</p>	<p>Achieved.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> monthly compliance report which details the plans we actually have with a RAG rating applied.</li> <li><input type="checkbox"/> reviewed at the monthly Steering group.</li> <li><input type="checkbox"/> annual testing &amp; exercising programme with the Business Continuity plan owners accountable for testing their plans.</li> <li><input type="checkbox"/> lessons learned from tests/exercises at steering group meetings and training identified.</li> </ul>
<p><b>ICT and Digital</b></p> <p>Back Up of data reliability. The system which provides this function is aged and may fail.</p> <p>Replacement of Computer, Storage and backup datacentre provision is a primary action identified as part of the ICT Health Check.</p>	<p>Options and a recommendation expected to be presented to the organisation during April 2019.</p> <p>The re-provision of the Datacentre is expected to be complete in 2019-20</p>	<p>A new backup solution has been commissioned, implemented and was fully operational by the end of December 2019. It has been audited and the final audit report conclusion a was Green status. The new primary Datacentre and Disaster Recovery solution are also fully operational. The final phase of the decommissioning of the old infrastructure has been delayed due to COVID19 access restrictions at the site, but the legacy equipment is turned off and redundant</p>

Actions that were planned for 2019/20	Original Timescale	Outcome
<p><b>Procurement</b></p> <p>Atamis eCMS Contract Management system is neither fully developed nor fully deployed across the Council.</p> <p>The electronic Contract and Supplier Management System (eCMS) will be reviewed as part of the Provision Cycle transformation programme with the expectation to develop and implement a system that will provide management and controls across the full cycle of Commissioning, Procurement and Contract Management.</p> <p>This will enable a consistent, council-wide approach enabling 100% visibility of requirements</p>	<p>The development will be iterative and ongoing but target to implement by Dec 19</p>	<p>Developments and improvements have been made but the delayed PC transformation has had an impact on the full rollout across the Council.</p> <p>The Programme Module has been fully implemented to automate the forward procurement pipeline and is now moved to business as usual</p> <p>Work has been completed in terms of spend categorisation for significant providers e.g. £100k upwards and circa 700 providers</p> <p>Contract Information has improved in quality and provides a quarterly extract that is published on the external website as its Contract Register</p> <p>The flexibility of the Atamis product and our existing OCC commercial arrangements for licencing of the Electronic Contract Management Tool (ECMS) has allowed the Cherwell DC data to be included.</p> <p>The reporting tools will allow the shared OCC/CDC procurement teams to take a more holistic approach for supplier spend and category management.</p>

## ANNEX 2 - SIGNIFICANT GOVERNANCE ISSUES

### *Actions identified for 2020/21*

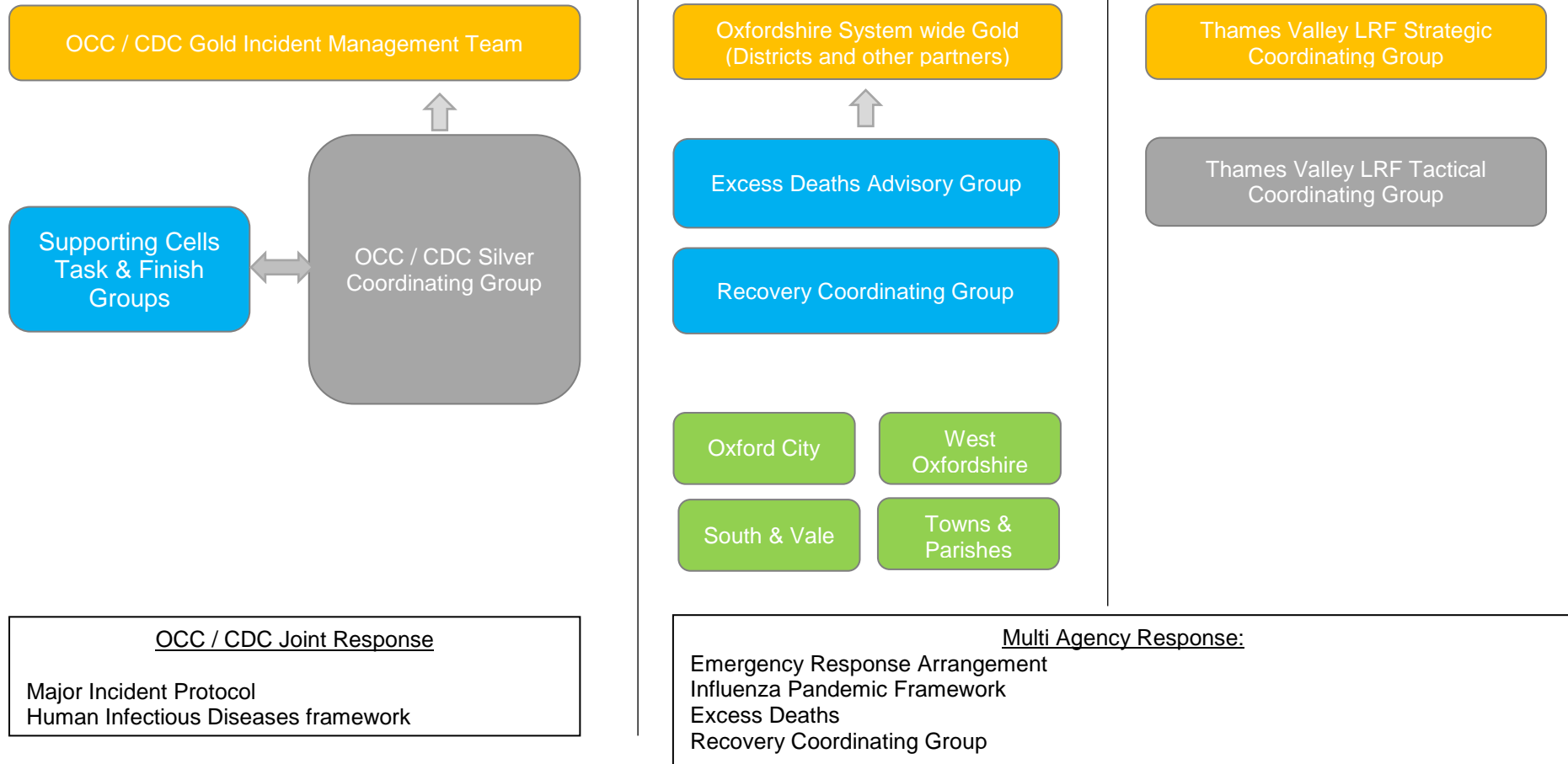
	<b>Action now planned for 2020/21</b>	<b>Timescale for Completion</b>	<b>Responsible Officer</b>	<b>Monitoring Body</b>
<b>1</b>	Develop a Security Strategy: <ul style="list-style-type: none"> <li>• to reflect a more corporate approach to security delivery, and</li> <li>• harnessing the connected perspectives of Health and Safety, Emergency Planning, the Fire Service, Social Care and Procurement.</li> </ul>	March 2021	George Eleftheriou, Director of Property Investment and Community Facilities Management	Corporate Governance Assurance Group

	Action now planned for 2020/21	Timescale for Completion	Responsible Officer	Monitoring Body
2	<p>Alignment of Annual Governance Statement preparation – Oxfordshire CC and Cherwell District Council:</p> <ul style="list-style-type: none"> <li>• achieving a more streamlined approach to AGS preparation across both authorities which...</li> <li>• engaging senior managers and is clearly aligned to corporate objectives</li> <li>• achieving revised and more meaningful <i>Directors Certificate of Assurance</i> process</li> <li>• building on current engagement with the Audit Working Group and its parent Audit &amp; Governance Committee</li> <li>• establishing a joint Corporate Governance Assurance Group of key governance officers with a view across both authorities</li> <li>• becoming a 'living, year-round activity' not simply one about producing a 'document'</li> <li>• review of the current arrangement of 'lead statements' and establishing a corporate governance lead for Property-Security</li> <li>• establishes a relevant <i>Local Codes of Corporate Governance</i> which better reflects the Councils' current work</li> </ul>	<p>June – September 2020</p> <p>June-July 2020</p> <p>Ongoing</p> <p>June 2020</p> <p>Completed June 2020</p> <p>Ongoing</p> <p>September 2020</p> <p>September 2020</p>	<p>Glenn Watson Principal Governance Officer</p>	<p>Corporate Governance Assurance Group</p>

	<b>Action now planned for 2020/21</b>	<b>Timescale for Completion</b>	<b>Responsible Officer</b>	<b>Monitoring Body</b>
3.	<p>Review of post-COVID governance arrangements:</p> <ul style="list-style-type: none"> <li>• Corporate Governance Assurance Group to keep under review the Council's governance as we emerge from COVID including</li> <li>• Linkage to any ongoing Gold-Silver command activity/experience</li> <li>• Lessons for key governance activities across the Corporate Lead areas – e.g. business continuity, risk, procurement, democratic decision making, ICT security, health and safety and property management; financial management.</li> </ul>	Ongoing June 2020– March 2021 (core agenda item)	Monitoring Officer	Corporate Governance Assurance Group

## Annex 3 – COVID-19 Command and Control Structure

### Command & Control Structure (Multi – Agency)



## Annex 4 Overview of Corporate Governance Assurance Framework

