

Annual Governance Statement 2011/12

Scope of responsibility

1. The County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The County Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
2. The County Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*'. A copy of the code is on our public website. This statement explains how the County Council has complied with the Code and also meets the requirements of Regulation 4(2) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an Annual Governance Statement. Corporate governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, lead and control their functions, to achieve their objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations.

DELIVERING GOOD GOVERNANCE - FRAMEWORK:

The purpose of the governance framework

3. The governance framework comprises the systems, processes, culture and values, by which the County Council directs and controls its activities. It is the means by which it accounts to, engages with and leads the community. It enables the County Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable - and not absolute - assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the County Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. This statement evaluates the governance framework which has been in place at the County Council for the year ended 31 March 2012 and up to the date of approval of the statement of accounts.

The Governance Environment

The key elements of the systems and processes that comprise the Council's governance arrangements are set out below.

Identifying and communicating vision of our purpose and intended outcomes for citizens and service users

4. The County Council's vision and objectives are supported by four long term strategic objectives which are developed jointly by the Cabinet and the County Council Management Team (CCMT) and articulated in our published Corporate Plan. These are:
 - ◆ World class economy
 - ◆ Healthy and thriving communities
 - ◆ Enhancing the Environment
 - ◆ Efficient Public Services

The planning process takes account of the needs and wishes of customers and communities which are articulated through a range of consultation exercises. The Cabinet's initial proposals are referred to the relevant Scrutiny Committee for further advice and consideration and then submitted to full Council for approval.

5. The strategic priorities are translated into SMART¹ outcome-focused targets which are monitored through our corporate 'Balanced Scorecard' (focussing on performance in four areas – Customers, Finance, People and Process). Our Corporate Plan is supported by Directorate Business Strategies which encompass what the Council is aiming to achieve to deliver the vision. Each of these plans is also supported by a Balanced Scorecard to allow us to measure on-going progress.

Reviewing the County Council's vision and its implications for the County Council's governance arrangements

6. The County Council's Constitution sets out the roles of and relationships between the full Council, the Cabinet, Scrutiny and other Committees in the budget-setting and policy and decision-making processes and sets out their legal requirements. The County Council's Corporate Plan supplements the County Council's Policy Framework. These formal policies are approved by full Council in accordance with the provisions of the County Council's Constitution. The Constitution also sets out a record of what responsibility each County Council body or individual has for particular types of decisions or for decisions relating to particular areas or functions. The Constitution requires that all decisions taken by or on behalf of the County Council will be made in accordance with the principles set out in the Constitution.
7. The Constitution also sets out how the public can take part in the decision-making process and the Cabinet's Forward Plan alerts the public to what business the Cabinet will be undertaking to afford members of the public the right to make representations before a decision is taken and with whom. Some of the responsibilities of the County Council committees require statutory consultation to precede a decision being taken.
8. The Constitution is reviewed annually by the Monitoring Officer with recommendations of changes being made to Full Council for consideration and adoption.

¹ Specific, Measurable, Achievable, Realistic, Timely

9. A thirty minute Question Time has been introduced at all Cabinet and individual Cabinet Member delegated decisions. Any councillor may, by giving notice, ask a question on any matter in respect of the Cabinet's delegated powers. The number of questions which may be asked by any councillor at any one meeting is limited to two (or one question with notice and a supplementary question at the meeting). As with questions at Council, any questions which remain unanswered at the end of this item receive a written response.
10. As part of the changes to the Constitution, the Council has agreed to retain its procedure for dealing with the Councillor Calls for Action and retains a duty on Directors to respond to petitioners within 10 working days. The Council has extended these rights of challenge by way of adopting a new petition scheme and arrangements were put in place for the creation of e-petitions.

Risk Management

11. The County Council has a Risk Management Strategy which aims to ensure that there is continuous improvement in the arrangements for managing risk across all directorates. The Director for Social & Community Services and the Chairman of the Audit Committee are nominated as Risk Champions.
12. The County Council has in place a process for identifying, assessing, managing and reviewing the key areas of risk that could impact on the achievement of County Council's objectives and service priorities. Reports to committees to support key policy decisions or major projects include an assessment of both opportunities and risks.
13. A strategic risk register is in place that is owned and reviewed by CCMT. Service Risk Registers are owned and reviewed by each Head of Service with their management teams and the Director on a quarterly basis. An escalation process is in place to report significant service risks to CCMT as part of the quarterly performance reporting process and separately to the Audit Working Group. Risk registers are challenged by the Chief Executive's Office as part of the quarterly corporate monitoring.
14. Risk Management in projects is a standard defined in the Corporate Project Management Guidelines and includes the requirement for risk registers to be maintained as part of the project management process.

Measuring the quality of services for users, for ensuring they are delivered in accordance with the County Council's objectives and for ensuring that they represent the best use of resources

15. Scrutiny Committees hold the Cabinet to account on the discharge of its functions. Service performance and quality are measured through our performance management framework which aligns with our planning framework to ensure service priorities are in accordance with the County Council's objectives. We also use consultation and engagement exercises with our residents.

16. The County Council's and Directorate Business Strategies for 2011/12 to 2015/16, which were subsequently updated through the 2012/13 Service & Resource Planning process set out a programme that will enable the Council to deliver its required savings and will facilitate the cultural shift to a more dynamic and empowered organisation in the context of reduced funding aligned to the Council's priorities in the Corporate Plan.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

17. The County Council's Constitution sets out how the Council operates including the roles of the Cabinet and Committees. The arrangements for delegation to individual Cabinet Members are also set out in the Constitution.

18. The general scheme of delegation to officers is set out in the Constitution, as are the specific powers and functions of senior officers. In addition, individual Directorates have a scheme of further delegations of both financial and decision making powers and each of these is approved by the Chief Finance Officer and the Monitoring Officer.²

19. The Assistant Chief Executive holds the statutory role of Chief Financial Officer within the Council. In 2010 the Chartered Institute of Public Finance and Accountancy (CIPFA) issued a Statement on the "Role of the Chief Financial Officer in Local Government". This outlines the principles that define the core activities and behaviours that belong to the role of Chief Financial Officer and the governance requirements needed to support them. A self – assessment confirms that the Council's financial management arrangements conform with the governance requirements of the CIPFA statement as outlined below:

- The Chief Financial Officer is also the Assistant Chief Executive for the Authority. They are a member of the County Council Management Team, helping it to develop and implement strategy and to resource and deliver the County Council's strategic objectives.
- The Chief Financial Officer is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and aligned with the Medium Term Financial Strategy.
- The Chief Financial Officer leads the promotion and delivery by the County Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- The Chief Financial Officer leads and directs a finance function that is adequately resourced to be fit for purpose.
- The Chief Financial Officer is professionally qualified and suitably experienced.

² The Chief Finance Officer carries out the role described by section 151 of the Local Government Act 1972

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

20. The County Council has developed and adopted separate Codes of Conduct for Councillors and Officers; both Codes clearly define the high standards of behaviour expected by the County Council and the duty owed to the public. Training to embed the requirements of the codes is provided by the Council's Monitoring Officer for both Councillors and Officers. Both codes form part of the County Council's Constitution and are readily accessible via the council's Internet and Intranet websites. Both codes are reviewed by the Monitoring Officer to ensure that they continue to be effective and up to date.
21. The Independent Chairman of the Standards Committee, which has been responsible for standards of behaviour of councillors, provided their last annual report to the Council for their consideration in May 2012. The report summarised the committee's work over the year in maintaining the standards arrangements in place in 2011/12.
22. The Localism Act 2011 received Royal Assent in November 2011 and has led to the abolition of the standards regime. Each Council is required to adopt a local Code of Conduct and must have arrangements in place to investigate complaints made against Members. Full Council have agreed to include standards within the terms of reference of the Audit & Governance Committee with the work relating to standards being undertaken by a small advisory group led by the Monitoring Officer.

Reviewing and updating standing orders, standing financial instructions (financial regulations), a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

23. The County Solicitor monitors and reviews the operation of the Constitution to ensure that its aims, principles and requirements are given full effect and makes recommendations on any necessary amendments to it to the Council. The County Solicitor is authorised to make any changes to the Constitution which require: compliance with the law; or to give effect to decisions of the Council or (so far as within their powers) the Cabinet, scrutiny committee and ordinary committees; or to correct errors and otherwise for accuracy or rectification. All other changes to the Constitution will only be approved by the full Council after consideration of a recommendation from the County Solicitor.
24. The Financial Procedure Rules and Financial Regulations are reviewed by the Chief Finance Officer and published on the public website. Schemes of Financial Delegation and Delegation of Powers are reviewed and updated six monthly and are published on the County Council's intranet along with guidance on how these should be maintained.
25. The County Council has an Audit Committee which meets six times a year, and operates in accordance with proper practice as defined in the guidance published by CIPFA in 2006. In addition to the formal Audit Committee, the County Council also operates an Audit Working Group, made up of members of the Committee and Senior Officers, chaired by the co-opted member on the Audit Committee; this group looks in

detail at specific areas of governance, risk or control under the direction of the Audit Committee.

Review of the effectiveness of the internal audit function

26. In accordance with the Accounts and Audit (England) Regulations 2011, the Audit Committee receives a report annually from the Monitoring Officer on the effectiveness of internal audit. The Audit Committee has determined the process by which this review is undertaken, which includes continuous monitoring of the Internal Audit process by the Committee in conjunction with the Audit Working Group and a survey of Senior Officers on effectiveness.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

27. The County Council uses a range of measures to ensure compliance with established policies, procedures, laws and regulations including:

- Notification of changes in the law, regulations and practice to Directorates by Legal Officers;
- Training carried out by Legal Officers and external experts;
- The drawing up and circulation of guidance and advice on key procedures, policies and practices;
- Proactive monitoring of compliance by relevant key officers including the Chief Finance Officer, the Monitoring Officer and the Assistant Head of Finance (Audit);
- Corporate Governance Strategy for Law and Governance;
- Protocol for Implementing New Legislation.

28. Guidance and advice on all key policies and procedures have been reviewed and updated. All policies and guidance have been incorporated into a Handbook for Managers and toolkits for use for Human Resources and Finance.

29. Compliance with the new or revised policies is monitored by the relevant corporate lead officers and their assessment is incorporated in the year end statements signed off by each corporate lead officer.

30. Under Section 5 of the Local Government and Housing Act 1989, the Monitoring Officer is required to report to the County Council where, in his opinion, a proposal, decision or omission by the County Council, its Members or Officers is or is likely to be unlawful and also to report on any investigation by the Local Government Ombudsman. It has not been necessary for the Monitoring Officer to issue a formal report for the year 2011/12. The Monitoring Officer undertakes a review of the County Council's annual governance arrangements. This review is formally reported to the Audit Committee.

Financial Management

31. The Financial Procedure Rules, Financial Regulations, Scheme of Financial Delegation and Delegation of Powers (paragraph 24 above) are supported by a Treasury Management Manual, a Capital manual, an Accounting Manual and toolkits for use by non-finance specialists which are published on the County Council's intranet.
32. There are teams of professionally qualified staff in the Chief Executive's Office and within Oxfordshire Customer Services. Part of their role is to support managers throughout the County Council in fulfilling their financial responsibilities and in providing regular scrutiny and challenge where appropriate. They also provide assurance that financial management is carried out across the organisation in accordance with the requirements of the CIPFA "Role of the Chief Financial Officer" Statement.

Whistle-blowing and receiving and investigating complaints from the public

33. The Council has formal complaints and whistleblowing procedures which allow staff, service users, contractors, suppliers and the public to confidentially raise concerns about any aspect of service provision or the conduct of staff, elected councillors or other people acting on behalf of the Council.
34. An annual review of reports and incidents is undertaken by the Monitoring Officer and is reported to the Audit Working Group.

Identifying the development needs of Councillors and senior officers in relation to their strategic roles, supported by appropriate training

35. There are specific role descriptions for Leader of the Council, Deputy Leader of the Council and Cabinet and Shadow Cabinet Members. In addition, the County Council's Constitution sets out the roles and functions for all councillors. Members' development needs and appropriate learning and development opportunities are ascertained against these role descriptions identified and prioritised by the cross-party Member Development Group having regard to emerging issues, skills requirements and formal roles identified.
36. Training and development needs for senior managers are identified and followed up through the appraisal and personal development plan process. We have recently started a two year Senior Leadership Programme for the top three tiers of management. The programme aims to give senior managers the tools and support to tackle the complex issues faced in the public sector. The programme will build on the 2011 SOLACE management assessments, which identified a number of individual and collective development requirements for our senior managers. The programme will include a variety of interventions, for example coaching and 360 degree feedback, which will take place at individual and team levels as well as bringing the whole senior management group together for a number of focussed development days.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

37. The County Council has clear channels for communicating with all stakeholders led by the Communications and Engagement Team. This includes a comprehensive website, a press office for managing messages via the media and responding to media enquiries, targeted media campaigns, established channels for communicating with MPs, representatives from district councils and other partners and an intranet system and team brief cascade for communicating with its own staff. Each year the council holds a staff conference and a series of staff roadshows led by the Chief Executive and members of the County Council Management Team, to directly engage with staff and communicate with them about possible changes.
38. The County Council also has well established consultation and involvement arrangements to specifically engage the community and its staff. There is a council-wide Consultation & Involvement Strategy 'Ask Oxfordshire', a research governance framework covering consultation, evaluation and research with adult social care customers and a dedicated engagement team working with children and young people and vulnerable adults. Details of the Council's consultation and involvement activities such as service and policy change consultations, surveys of our Citizens' Panel 'Oxfordshire Voice', service user events and Sounding Boards are published on an online consultation calendar that can be found at <http://www.oxfordshire.gov.uk/consultation>.
39. The County Council's new Health and Wellbeing Board will bring together democratically elected representatives, and public representatives with local commissioners to strengthen the democratic legitimacy of commissioning decisions, and provide a forum for challenge and discussion with local people. The Public Involvement Network will support this work ensuring that the views of the public, service users, carers, and advocacy groups are at the centre of service and strategy development. The Shadow Health & Wellbeing Board met for the first time in November 2011. The intention is that the Board will meet in public three times per year but there will also be additional informal meetings.

Understanding community and stakeholder views and needs in support of strategy and policy development and service planning and delivery.

40. The County Council uses a wide range of evidence and information to inform strategy, policy development and service planning and delivery. Examples of this include feedback from consultation and involvement activities, evidence base such as "This is Oxfordshire" in support of the Council's Corporate Plan and the use of data about the lifestyle types and needs of people in different parts of Oxfordshire to inform decisions on locating services. The county council is the accountable body and host for the Oxfordshire Data Observatory (<http://www.oxfordshireobservatory.info/>) which is an established partnership service providing a high quality shared evidence base and facilitating information sharing between partners. We also attach great importance to engaging with communities that wish to develop their own plans. Community-led planning allows us to respond to local issues and concerns raised by Oxfordshire's communities while encouraging self-help solutions.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in Oxfordshire County Council's overall governance arrangements.

41. In the past year we have reviewed our existing formal partnership arrangements to maximise the benefit we receive for the investment we make. We have retained those that are critical to addressing priorities that we all recognise can only be tackled through joint working. Oxfordshire County Council continues to deliver jointly in partnership with: Oxfordshire Local Enterprise Partnership; Oxfordshire Skills Board; Oxfordshire Strategic Planning and Infrastructure Partnership; Oxfordshire Environment and Waste Partnership; Oxfordshire Health and Wellbeing Board (including sub groups on Health Improvement, Adult Social Care, Children and Young People, and Public Involvement); Oxfordshire Stronger Communities Alliance (voluntary and community sector) and the Oxfordshire Safer Communities Partnership. All partnerships are driven by the priorities set by the Oxfordshire Partnership, which continues to meet to provide a light-touch overarching sense of direction and ensure delivery of the priorities in Oxfordshire 2030: our community strategy.
42. The Oxfordshire Children and Young People's Trust has been replaced by the new Children and Young People's Partnership Board (CYPP). The CYPP Board is part of the new Health and Wellbeing Board arrangements for Oxfordshire.

Governance and funding within Local Authority Maintained Schools

43. The financial framework for local authority maintained schools is set out in the Scheme for Financing Schools, which is approved by the Schools Forum. The practical day to day application is set out in the Financial Manual of Guidance, which also includes links to the County Council, Constitution, DfE (Department for Education) Toolkit and the best practice advice from the Audit Commission. The Scheme is reviewed annually through the Schools Forum and schools receiving delegated budgets adhere to the financial framework. Failure to comply with the scheme can lead ultimately to withdrawal of delegation.
44. The DSG (Dedicated Schools Grant) is divided between funding direct to maintained schools via a formula (known as the Individual Schools Budget or ISB) and centrally retained expenditure that supports education through key central services to schools. Schools also receive other grant streams via the council and from external sources, particularly for sixth form provision.
45. It is the responsibility of each School's governing body to set down and oversee the proper governance arrangements for the school, supported by the Headteacher and staff. The governing body is accountable to the local authority for the way the school is run. The central schools support and compliance teams visit schools to provide support, advice and challenge to provide assurance on the ISB and other funding streams at each school. The schools support and compliance teams validate all schools' budgets annually and review schools' budget monitoring reports during the year. A helpline is provided to schools to provide immediate SAP applications and finance guidance where needed. The team's use a comprehensive risk assessment tool to identify schools with

higher financial risks or issues and provide them with additional support and oversight. Where progress is not made, a notice of concern can be issued advising the school of recommended actions and ultimately this could, if necessary, lead to withdrawal of (in whole or part) the delegated budget powers from a school.

46. The management accounting team reviews the expenditure and governance of the centrally retained DSG expenditure in Children, Education and Families. Both management accounting and schools support are in turn supported by schools technical team responsible for the DSG funding formula calculation (and other funding streams) based on DfE guidance.
47. Schools Support, Compliance and Technical teams each have responsibilities to ensure compliance with the Financial Manual of Guidance and the Scheme for Financing Schools (section 48 of Schools Standards and Framework Act 1998) as well as the national statutory and regulatory environment governing schools finance. All local authorities are required to publish, under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009, an annual budget statement. Oxfordshire's Section 251 statement for 2011/12 is available on the Council's website as per guidance. The 2012/13 Section 251 statement process is in progress at the time of writing.
48. Oxfordshire Schools Forum is consulted on financial and governance issues and advises the council on these from the schools' perspective as well as council officers' direct work with schools and schools' partnerships. Council officers support the work of the forum and its subcommittees and all parties benefit from the exchange of advice and views to improve and develop school governance and management and the work of the forum going forward.

Programme and Project Management

49. The County Council requires projects to be managed using the Project Management Framework which gives a comprehensive structure and processes for project management. The Directorates review projects (progress and governance) as part of quarterly performance reporting. An escalation process is in place to report significant project issues/ risks to the County Council Management Team (CCMT) as part of the quarterly performance reporting process and separately to the Audit Working Group. Project registers are challenged by the Chief Executive's Office as part of the quarterly corporate monitoring.

ICT and Information Security

50. The Head of ICT Business Delivery has overall responsibility for ICT development and security. The Deputy Head of Law & Governance is the Council's Data Controller and chairs the Information Governance Group with representatives from all Directorates, Human Resources and ICT. This Group reports to the Corporate Governance Working Group chaired by the Monitoring Officer.

51. The Information Governance Group oversees the operation of the Corporate Data Transfer Policy, plus the new tools and methods of work evaluated by ICT Business Delivery to improve the security of data transfer.

DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT:

Review of effectiveness

52. The County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the County Council who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, whistleblowing reports and comments made by the external auditors and other review agencies and inspectorates.

53. The following paragraphs describe the process that has been applied in maintaining and reviewing the effectiveness of the governance framework, and include some comment on the role of key bodies.

The Audit Committee

54. The Chairman of the Audit Committee produces an Annual Report to Council. The report for 2011 identified the following key achievements:

- Audited Statement of Accounts identified no material issues or matters of concern.
- Good governance and strong System of Internal Control that is effective in minimising the risk of fraud.
- Risk Management Training of key managers and staff in Directorates has been completed.
- Risk management is embedded in the Business Management Process and Reporting within Directorates.
- Escalation reporting to CCMT is focussed on the key business management issues and material risks.
- Improved performance on the implementation of management actions arising from Internal Audit reports.
- Earlier engagement with management to ensure areas of unacceptable control is addressed. We continue to respond promptly to Internal Audit reports with "Unacceptable" conclusions and have met with senior managers to get assurance that prompt actions are taken.

The Annual Report also refers to the effective role performed by the Audit Working Group. The Group has met regularly throughout the year and reviewed specific areas of governance, risk and control, reporting any significant issues identified to the Committee.

Overview and Scrutiny Committees

55. CIPFA guidance indicated that Audit Committees 'should have clear reporting lines and rights of access to for example scrutiny committees'. The Chairman of the Strategy and Partnerships Scrutiny Committee has a standing invitation to attend Audit Committee to provide advice in relation to the work of Scrutiny Committees. An annual report on key achievements of all Scrutiny Committees is considered by the Audit Committee in draft and submitted for agreement by Council.

The Standards Committee

56. The Council adopted the model Code of Conduct for Members in May 2007. With the announcement that Standards for England are to be abolished the requirement for quarterly reports has been discontinued by that body. In 2011/12, there were three complaints made against County Councillors of this Authority. In one case the decision of the Initial Assessment Panel was that no further action was required and in the further two cases a finding of 'other action' was made. The Standards Committee's Independent Chairman has produced an Annual Report to Council of its activities for 2011/12. Full Council formally received the report on 15 May 2012.

57. The Monitoring Officer undertook a confidential biennial survey of Member/Officer relations in 2010/11 and has concluded that there are no issues of concern with regards to Member intimidation or bullying or inappropriate attempts to influence Officer decision making.

58. The Members' declarations have been reviewed with no significant issues of concern identified and the Council has placed details of all Members' expenses on-line to demonstrate transparency and re-assurance to the public on these important matters.

Corporate Governance Assurance Group

59. This Group monitors and reviews the Annual Governance Statement action plan and completion of risk registers during the year. It has primary responsibility for collating all of the evidence and producing the first draft of the Annual Governance Statement. No recommendations for improvements were made by the external auditors (the Audit Commission) relating to the 2010/11 Annual Governance Statement.

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60. Progress Report on AGS Action Plan 2010/11

Action	Status	
<p><u>Actions carried forward from 2010-11:</u></p> <p>1) To monitor actions to address the improvements identified by Internal Audit in relation to information governance relating to:</p> <p style="padding-left: 40px;">(a) external data transfers, which include the approval and implementation of the Secure Transfer of Information Policy</p> <p style="padding-left: 40px;">(b) end user developments, which include the approval and implementation of the Access Strategy and Excel Development Policy</p>	<p>Action completed</p> <p>Corporate Data Transfer Policy in place.</p> <p>Protocols to assist with the appropriate use of Excel and Access now available on the Intranet.</p>	Complete
<p>2) To address the lack of resilience within ICT infrastructure, which include a back-up facility to be sited at Kidlington, review of priorities for recovery of applications and systems used by Group 1 Services, installation of stand-by generators in County Hall and Clarendon House, and improved Telephony resilience.</p>	<p>Action substantially completed.</p> <p>The installation and testing of the Clarendon House generator is complete and a routine testing regime is in place for all three generators. Service was maintained throughout a power cut in March 2012.</p> <p>Work to improve telephony resilience is on-going and will be monitored by Corporate Governance Assurance Group during 2012/13.</p>	<p>Complete</p> <p>In progress</p>
<p>3) To implement improvements to Schemes of Delegation to reflect significant organisational change,</p>	<p>Action completed – continued monitoring required to ensure that Schemes of Delegation are updated as at 1 April 2012 and in accordance with the guidance.</p>	Complete

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<p>which includes the issue of clear guidance on how changes should be made and approved.</p>		
<p>4) To implement effective governance of SAP roles, to ensure management of segregation of duties.</p>	<p>Improved processes around the update of SAP roles in place.</p> <p>Ongoing overview needs to be provided by SAP Operations Group.</p>	<p>Complete</p> <p>Work is on-going to ensure that there are no conflicts between roles.</p>
<p>5) To address improvements in respect of weaknesses identified by HSE for not having robust systems in place when awarding, managing and monitoring service provider contracts, which include improvements to health and safety clauses in contracts and related documentation, targeted training of relevant staff to increase their knowledge and ability to challenge providers, and safeguard the authority by supporting providers in improving their health and safety management system performance.</p>	<p>A Health & Safety self-assessment for Social & Community Services Learning Disabilities has been developed and will be rolled out through Joint Commissioning teams in 2012/13.</p> <p>Detailed analysis of schools monitoring shows a lack of competence for contract management and inadequate practice in documentation including terms and conditions and health and safety requirements.</p> <p>Uptake of “Selecting and Monitoring of Contractors and Consultants” H&S course is low.</p> <p>A programme of reviewing contract monitoring arrangements in CEF contracts by the HSW Contract Lead will take place through 2012/13,</p> <p>Guidance to addresses schools’ and similar service needs has been drafted and will be available in 2012/13.</p>	<p>On-going - Health & Safety Strategy will be implemented in 2012/13</p>

Internal Audit

61. The Chief Internal Auditor has prepared an Annual Report on the work of Internal Audit which concludes the system of internal control provides reasonable assurance regarding the effective, efficient and economic exercise of the Authority's functions. Where areas for improvement have been identified management action plans are in place.
62. In accordance with the requirements of the Accounts and Audit (England) Regulations 2011, the Monitoring Officer has carried out a review of the effectiveness of the system of internal audit. The scope of the review covered compliance with proper practice (CIPFA Code of Practice for Internal Audit 2006), reporting on performance and outcomes to the Audit Committee, External Auditor's opinion, and a survey of Senior Management on the effectiveness of Internal Audit. In the report to the Audit Committee it was concluded that the Internal Audit Service overall continues to be effective but there are areas which are receiving attention. More priority should be given to resourcing counter-fraud work and delivering the Counter-Fraud Plan; and, significant improvement is required in the timeliness of reporting on audit assignments.

Effectiveness of Governance in Local Authority Maintained Schools

63. Successful schools support, helpline and technical team structures were in operation throughout 2011/12 and supported the full roll-out of SAP in schools along with budget planning and monitoring for the financial year. These structures have enabled staffing resources to be redirected to more effectively challenge higher risk schools and thereby improve financial management and governance across all schools.
64. The Financial Management Standard in Schools (FMSiS), which assessed financial control within schools on a three year cycle, was withdrawn by government during 2010/11. The government has introduced from 2011/12 the Schools Financial Value Standard. Schools Forum has already agreed to a continuation of the current local arrangements using the council's internal audit service to complete assessments against the new standard, which creates efficiencies and synergies for both schools and council in applying the standard. Part of these efficiencies and improved effectiveness is the joint management of the work of the FMSiS audit staff and the Schools Compliance team.
65. Academies are legally separate entities and therefore effective governance does not fall within the direct control or responsibilities of the County Council.

Other external review/assurance mechanisms.

66. The County Council receives external reports from a range of sources that can provide assurance or indicate any issues related to internal control and governance.
67. The Care Quality Commission's annual performance assessment for 2010/11 reported that the Council is judged overall to be "performing well" in how it promotes adult social care outcomes. There are no longer annual assessments of adult social care. CQC will still undertake risk based inspections of services based on, amongst other things,

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performance on the adult social care outcome framework. However there was no service wide inspection in 2011/12.

68. The Children's Services annual rating for Oxfordshire for 2011 was 3 "performs well". This performance has been maintained from 2010 to 2011. Most services, settings and institutions inspected by Ofsted were good or outstanding and few are inadequate. Almost all were good at helping children and young people to learn and stay safe.
69. Ofsted's most recent unannounced inspection of contact, referral and assessment arrangements for children in need and children who may be in need of protection found three areas of strength, many areas of satisfactory practice and five areas for development, one from the previous inspection in 2009. There were no priority actions requiring urgent attention. In 2011, a full inspection of safeguarding and services for looked after children judged the overall effectiveness of both as good. Inspection also shows good safeguarding in youth offending work.
70. An Ofsted inspection of the Fostering Service took place in March 2012. The overall quality rating was good with outstanding judgments in three out of six areas assessed. The inspector noted that the fostering service is managed and staffed by those who are suitable and qualified to work with children and young people. There is a strong management team that are experienced and supportive and supervising social workers who are committed to achieving good outcomes for children and young people. Robust systems are in place to monitor and review the performance of the service. Three shortfalls were noted leading to recommendations. These relate to the timeliness of foster carer reviews, placements made outside of foster carers' terms of approval and foster carer records.
71. The Surveillance Commissioner's August 2011 report on the Regulation of Investigatory Powers Act (RIPA) concluded that the Council continues to have a sound RIPA structure, with good policies and procedures and good training.
72. There were no major control issues raised by the Audit Commission, in their 2010/11 annual report. There was only one recommendation for improvement made and this related to the Pension Fund Accounts.

Business Strategy Governance Arrangements for 2011/12

73. Key deliverables within Directorate Business Strategies are managed as projects as a part of the directorate business management process. Updates on projects are reported quarterly, with information reported through existing quarterly business management (performance/risk/projects) reporting procedures. The forecast financial position is reported monthly through the monthly Financial Monitoring & Business Strategy Delivery Reports to Cabinet.
74. Further to these monitoring arrangements, the Chief Finance Officer meets regularly with all Deputy Directors to ensure that support is targeted to projects as required to address exceptions arising.
75. Delivery the Directorate Business Strategies is also being regularly reported to CCMT.

GLOSSARY OF TERMS

Improving the Quality of Governance

76. Some areas have been identified where the quality of governance could be improved, or where there are planned material changes to the governance arrangements. The action plan for 2011/12 is as follows:

Action Plan for 2012-13

Action	Timescale for Completion	Responsible Officer	Monitoring Body
<p>Data Transfers and Security</p> <p>To set out and monitor in an action plan:</p> <p>a) improvements to ensure effective information governance relating to external data transfers and data security;</p> <p>b) planned actions to raise staff awareness of the requirements of the Acceptable Use Policy.</p>	31 March 2013	Data Controller and ICT Corporate Lead	Information Governance Group
<p>Delivery of the Internal Audit Counter-Fraud Plan</p>	31 March 2013 with set dates set out within the plan	Chief Internal Auditor	Audit Committee
<p>Health Safety & Wellbeing</p> <p>To ensure the Health, Safety and Wellbeing Strategy is embedded across the organisation and</p> <p>a) that roles and responsibilities are clear and understood;</p> <p>b) H&S arrangements in commissioning, awarding and managing service provider contracts are robust.</p>	31 March 2013 or dates set out within the plan	Health, Safety & Wellbeing Corporate Lead	CCMT

GLOSSARY OF TERMS

Action	Timescale for Completion	Responsible Officer	Monitoring Body
<p>Business Continuity Stakeholders Group to ensure that all directorates have clear and robust recovery systems and procedures and have identified all critical documentation that needs to be restored as a matter of priority.</p> <p>ICT to operate a repository of those critical documents to be restored as agreed by backup arrangements including the Disaster Recovery facility at Kidlington.</p>	30 September 2012	Business Continuity Corporate Lead and ICT Corporate Lead	Business Continuity Stakeholders Group
Implementation and embedding of the Data Quality Policy	30 November 2012	Business Management Corporate Lead (Corporate Performance and Review Manager)	CGAG
Embedding effective Governance arrangements relating to contracts within Children, Education & Families and Social & Community Services and to ensure that procurement and contract monitoring arrangements are robust.	31 March 2013	Deputy Director (Joint Commissioning)	DLT
Embedding effective Governance arrangements relating to contracts within Environment & Economy and to ensure that procurement and contract monitoring arrangements are robust.	31 March 2013	Deputy Director (Growth & Infrastructure) and Interim Deputy Director (Highways & Transportation)	DLT

GLOSSARY OF TERMS

Action	Timescale for Completion	Responsible Officer	Monitoring Body
Routine management and monitoring of the performance of procurement controls to be introduced, with escalation of serious and/or persistent non-compliance to Directors, S151 Officer, Monitoring Officer and Cabinet Member for information and action. Management report to cover: <ul style="list-style-type: none"> - Live vendors by vendor category – Actual against target - Use of one-time vendors – with commentary on inappropriate use including multiple use - FB60 payments/services using FB60 process - Red route orders with a commentary of those that have resulted in vendor creation - Duplicate Payments 	31 August 2012 Once the management reports are in place, further actions will be established to ensure performance results are brought into line with targets. Appropriate timescales will be set for each of the actions.	County Procurement Manager	S151 Officer/ Service Manager (Pensions, Insurance & Money Management) (Section 151 lead officer for Accounts Payable)

77. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Oxfordshire County Council:

..... Joanna Simons Chief Executive	Date Sue Scane Chief Financial Officer	Date
..... Cllr Ian Hudspeth Leader of the Council	Date Peter Clark Monitoring Officer	Date