AUDIT & GOVERNANCE COMMITTEE – 20 APRIL 2016

PROGRESS REPORT ON THE ACTIONS IN THE 2014/15 ANNUAL GOVERNANCE STATEMENT

Report by the Chief Legal Officer and Monitoring Officer

Introduction

1.   Audit & Governance Committee approved the Annual Governance Statement (AGS) for 2014/15 in July 2015. This included six actions to be followed up by the relevant corporate lead and/or directorates in 2015/16. This is the final progress report on the actions and will be reflected in the 2015/16 Annual Governance Statement.

Update on actions

2.   Annex 1 sets out the progress on each of the actions followed up in 2015/16. Four of the actions are now complete or will continue to be monitored as part of business as usual. The following two actions need further follow up in 2016/17:

Action 2: While progress has been made against the actions for 2015/16 the role of the Commercial Services Board (CSB) needs to be broadened and further enhanced with a strong support mechanism to help drive robust and cross-cutting commercial behaviour and embed commercial practice and capability.

Action 4: While there has been significant progress to date the on-going action related to Hampshire Partnership, through the stabilisation period it has been identified that the business readiness has not been as effective as expected and there are areas of financial control that require improvement, including management reporting and oversight. This will be reflected in the 2015/16 Annual Governance Statement.

RECOMMENDATION

3.   **The Audit & Governance Committee is RECOMMENDED to note the progress on the actions.**

NICHOLAS GRAHAM
Chief Legal Officer and Monitoring Officer

Background papers: Annual Governance Statement 2014/15, which is published with the Statement of Accounts and available on the council's website:

https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/aboutyourcouncil/counciltaxandfinance/auditandaccounts/StatementofAccounts2014-15.pdf

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April 2016

Annex 1 – 2014/15 AGS Actions Progress Report for Quarter 4

Action	Progress
1. Data Quality (on-going from 2013/14) For each major or critical database held by the Council, identify what are the necessary, realistic and affordable features that there should be to ensure that an appropriate level of data quality is reached. Check if these features are in in place and effective. Then if possible make changes so that any features that are missing or weak are put in place or improved. Then report back on this process. List any remaining changes that need to be implemented and whether, when and how this will be possible.	The report to Audit & Governance Committee in November 2015 set out a series of actions in a two stage plan. • Stage 1 – Actions that could be completed or significantly progressed up to 31 March 2016 • Stage 2 – A longer run programme of work that was likely to span 2016/17 and 2017/18 **Areas for Data Quality Improvement** – a combination of the information gathered from Information Asset Registers along with the business systems priorities (as defined by the Business Continuity Stakeholders Group (BCSG) will be used to set out an approach and publish an appropriate timeline. Further work has been carried out to set out the approach and an improvement timeline has been published in preparation for the start of the main work from 1 April 2016. A formal project has been created to ensure that there is a clear scope and effective governance with an agreed timescale. **Data Quality on Priority 1 Systems** – Some of the Council's 30 Priority 1 systems already have mechanisms for data quality built in. ICT will ask for advice from the suppliers of the priority systems to find out what is available and then introduce changes where it is appropriate to do so and with support from the Directorates. Using the council's defined Priority Systems list (as agreed with the Business Continuity Stakeholders Group), ICT are writing to all suppliers to ask them to confirm what functionality or features already exist in their business systems and whether they are already enabled or not. Standard CIPFA definitions will be used to measure Data Quality as set out in the Council's Data Quality Policy.

Action	Progress
	Some Service areas already carry out 'data checking' activities as part of their Service Monitoring and Reporting responsibilities. Spot checks will be introduced on a regular basis for all Priority 1 systems using the standard Data Quality Principles as set out in the Data Quality Policy. ICT will publish regular reports on those findings. The intention was to have introduced a consistent regime of basic data quality 'spot checks' on all Priority 1 systems by the end of March 2016, however, that has not been completed yet. By the end of May 2016, ICT will have used the information gathered from the suppliers to set out a timeline and to have created a scope for the 'spot checks'. ICT continues to regularly publish intranet articles about security and Information Management and is working towards developing a mandatory online training course to provide a firm grounding in the principles of data quality, what that means and its importance. **Status: On-going as part of business as usual.**
2. Commercial Services Board (ongoing from 2013/14) 1. Communicate the role of the Commercial Services Board and ensure that its requirements are fixed in place in the Council. 2. Implementation of the Contract Management Framework 3. Development of the County Procurement Team including resources to support the ongoing work of the Commercial Services Board and implementation of the contract management framework. 4. Tackling instability arising out of the externalization agenda and the effect on SAP governance and control mechanisms	The Commercial Services Board terms of reference and governance arrangements have been reviewed and revised. . A Gateway Review Panel has been created and has now met twice and given feedback and direction about contract management and the long term planning that should underpin that. In light of experience to date the Terms of Reference and governance arrangements for the Panel will be reviewed on 15 April 2016 with any changes put in place for 2016/17. A business case training programme involving 90 managers took place in February & March 2016. The training was well received and has raised awareness of commercial skills and built capability across the council. 91 contract managers have also been engaged in the 'passport to practice' program relating to contract management. The implementation of a Contract Management System has been agreed by the Commercial

Action	Progress
	Services Board. The Corporate Procurement Lead, who is now in post, is leading on the procurement of the system with full implementation planned for summer 2016. **Status: Ongoing**
3. Business Continuity (BC) (ongoing from 2014/15) 1. Increase awareness and scrutiny of BC when buying in or outsourcing activity	Awareness has improved but is expected to remain an issue as budgetary pressures and commissioning activity change.
2. Ensure that flexible and agile working takes account of the need for BC	Awareness has improved but continues to need to be considered as part of the agile working programme in 2016/17.
3. Improve links between Directorates and the Business Continuity Steering Group (BCSG)	Awareness of the value of BC is being raised through directorate level BC exercises and the response to events in 2015/16.
4. Improve the Priority 1 exercise programme	Directorate level BC exercises continue. An exercise for Customer Services took place in February 2016. Corporate Services will take place in May 2016, and Children, Education and Families and Social and Community Services Directorates will exercise in October 2016. In November a Communications & Media exercise successfully engaged partner agencies across Oxfordshire and examined continuity arrangements around a major incident with both BC and emergency response requirements.
5. Improve awareness of Business Continuity across the organisation	This action is on target and will continue through to Business Continuity Awareness Week in 2016 and also with any new partnerships or devolution arrangements.
6. Use the good practice guide to improve BC generally	This action is ongoing - the Business Continuity Institute (BCI) Good Practice Guidelines have been adopted by BCSG and will be adopted formally by the council in the new BC strategy for 2016, which is due to be published shortly. This includes strategy and framework, lifecycle and review, and will introduce outstanding elements such as Business Impact

Action	Progress
7. Scrutinise the Business Continuity resilience of new projects. Notably the Integrated Business Centre and the Joint Fire Control, to support bedding in for the first year.	Assessments. Action complete for 2015/16. New projects can be identified for 2016/17. **Status: Action complete but activity and awareness needs to become further embedded as part of business as usual.**
4. Externalisation of Human Resources and Finance Services (ongoing from 2014/15) Setting up, implementing and fixing in place our new operating model includes extensive working with another public body and other work. This work continues as Hampshire take on this role in July 2015.	Transactional Human Resources and Finance activities carried out across the council transferred to the Hampshire IBC in July 2016.Since then the Hampshire partnership has provided shared Corporate Services for Hampshire County Council, Hampshire Fire & Rescue, Hampshire Constabulary and Oxfordshire County Council. As anticipated, the first six months of operation were a significant challenge in terms of the scale of business change required, the embedding of new ways of working and the resolution of a range of first time events associated with the transfer of data and business practice. A jointly agreed stabilisation process has been implemented to address these issues in a collaborative way and as a result these are reducing in volume and scale as the model embeds and the six month update as at January 2016 noted that the council was in a much improved positon compared to three months earlier. The council continues to work closely with Hampshire County Council to understand and respond to remaining issues and has implemented a number of mechanisms to ensure a swift resolution. Operational and Strategic Boards have been established which bring together all the four partners who will benefit from future investment. A programme of enhancement is currently underway with further developments scheduled

Action	Progress
	for 2016. **Status: The initial implementation and six month stabilisation period is complete. A further update on on-going issues is expected in early 2016. There are a number of areas in which improvements are required in the internal processes within the council to align with the IBC processes to make the model work efficiently. This will form a new AGS action in 2016/17.**
5. Strategic Risk Register The Strategic Risk Register to be refreshed and agreed by CCMT, with a quarterly review, including management assurance on the effectiveness of the mitigation for the Strategic Risks	The Corporate Risk register has been reviewed by CCMT, and updated. Risks are all owned by a member of CCMT. The risk register was presented to the Audit Working Group on 4 February 2016. CCMT will be formally reviewing the risk register quarterly. **Status: Complete**
6. Supported Transport for Children To ensure full implementation of the children's safeguarding standards framework for the transport service and the provision of assurance that these arrangements are effective.	The Supported Transport Governance Group reported progress against the safeguarding action plan to County Council Management Team (CCMT), and the Audit Working Group (AWG). The latest report to the AWG and CCMT confirmed that key risks are now being mitigated with processes and procedures developed and management controls in place. The volume of service users requiring risk assessments and passenger passports means the project has not yet completed, but is within an acceptable timeframe. The programme of safeguarding training is being delivered and enforced; and a key achievement has been the development of a joint operating framework with the licencing authorities. The management controls and quality framework have identified areas requiring performance improvement, and actions have been put in place to address these teams. **Status: Complete – Further actions will be progressed and monitored in 2016/17 as part of the on-going project.**