

South Oxfordshire District Council

FRAMEWORK FOR THE **ANNUAL GOVERNANCE STATEMENT 2007/08**

1.0 Scope of responsibility

South Oxfordshire District 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 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 council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The council approved and adopted a local code of corporate governance in 2003, which is consistent with the CIPFA/SOLACE¹ framework (2001) Corporate Governance in Local Government – a Keystone for Community Governance: the Framework. The council has continued with this framework for the 2007/08 financial year because its governance monitoring framework is inextricably linked with its performance management framework.

With effect from April 2008, the council will implement the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (CIPFA 2007).

Our website at www.southoxon.gov.uk/ has a copy of the local code of corporate governance within its Constitution or it can be obtained from:

Democratic Services

South Oxfordshire District Council

Benson Lane

Crowmarsh Gifford

Oxon

OX10 8QS

2.0 The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the 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 ongoing process designed to identify and prioritise the risks to the achievement of the 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.

The council has had the governance framework described below in place for the year ended 31 March 2008 and up to the date of approval of the statement of accounts.

3.0 The governance framework

This section will describe the elements of the governance framework which will include but is not limited to the council's:

- internal control environment including the
 - strategic planning framework which includes the:
 - Statement of strategic intent
 - South Oxfordshire partnership
 - Corporate plan
 - Strategies
 - policy framework and facilitation of policy making
 - legal framework
 - Monitoring officer
 - Ethical governance
 - Scheme of delegation
 - Codes of conduct
 - financial framework which includes the following:
 - financial strategies
 - medium and long-term financial plans
 - the Treasury Management Strategy

- the revenue budget and budget requirement
 - budget monitoring
 - the capital programme
 - the borrowing limits
 - the taxbase
 - council tax
 - financial procedure rules
 - risk management framework
 - risk management strategy
 - risk register
 - performance management framework
 - Best value performance indicators
 - Local performance targets
 - Service plan targets
 - Project management
 - Partnership protocol
- Corporate governance assurance statement based on the Local Code 2003 under the headings of:
 - Community focus
 - Service delivery arrangements
 - Structures and processes
 - Risk management and internal control
 - Standards of conduct

4.0 Review of effectiveness

The 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 managers within the council who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

In this section we will describe the process that has been applied in maintaining and reviewing the effectiveness of the governance framework as described above, including comment on the role of:

- South Oxfordshire District Council
- the Cabinet
- the Audit and Corporate Governance Committee;

- Corporate Improvement Scrutiny Committee and Customer and Community Scrutiny Committee
- Standards Committee
- the head of paid service (the chief executive)
- the chief finance officer
- the monitoring officer (head of legal and democratic services)
- the internal audit manager and internal audit
- those involved in risk management
- other explicit review/assurance mechanisms

5.0 Significant governance issues

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: Leader of the Council

Chief Executive

Date:

¹ Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives