

Supplementary Paper



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FOR THE MEETING OF THE

Joint Audit and Governance Committee

WILL BE HELD ON TUESDAY 30 NOVEMBER 2021 AT 6.30 PM

FIRST FLOOR MEETING SPACE, 135 EASTERN AVENUE, MILTON PARK,
OX14 4SB

To watch this virtual meeting, follow this link to the council's [YouTube channel](#).

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1 Annual governance statements 2019/20 (Pages 2 - 33)

To receive and approve the South Oxfordshire and Vale of White Horse District Council's Annual Governance Statements 2019/20, which form part of the statement of accounts.

Patrick Arran
Head of Legal and Democratic





Annual Governance Statement 2019/20

Scope of responsibility

1. South Oxfordshire District Council ensures that its business is conducted legally and to proper standards, and that public money is safeguarded, accounted for, and used economically, efficiently and effectively. Under the Local Government Act 1999 the council makes arrangements for continuous improvement, with a view to economy, efficiency and effectiveness. The council must make arrangements for the governance of its affairs, facilitating effective exercise of functions, including the management of risk.
2. The council has corporate governance arrangements and has adopted a local code of governance. This code is consistent with the “*Delivering Good Governance in Local Government*” publication by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives, published in 2007.
3. This Annual Governance Statement explains how the council has complied with its code of governance, and how it met the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to an annual review of the effectiveness of the council’s systems of internal control, and the preparation and approval of this statement.
4. 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
135 Eastern Avenue
Milton Park
Milton
OX14 4SB

Tel. 01235 422520

Email: democratic.services@southandvale.gov.uk

The purpose of the governance framework

5. The governance framework comprises the systems, processes, culture and values which direct and control the council, and activities through which it accounts to, engages with, and leads the community. The framework enables the council to monitor achievement of its strategic objectives and consider whether appropriate and cost-effective services have been delivered by those objectives.
6. The system of internal control is designed to manage risk to a reasonable level. All risk of failure to achieve the council's objectives cannot be eliminated and therefore the framework can only provide reasonable and not absolute assurance of effectiveness. An ongoing internal control process is employed, which is designed to identify and prioritise risks to the achievement of the council's objectives, to evaluate the likelihood of those risks, and mitigate their impact.
7. The council has had the governance framework described below in place for the year ended 31 March 2020 and up to the date of approval of the 2019/20 statement of accounts in August 2020.

The governance framework

8. Full Council is responsible for directing and controlling the organisation through the governance framework, doing the right things, in the right way, for the right people, and in a timely manner. Full Council's responsibilities include agreeing the Constitution and key governance documents and agreeing the policy framework and the budget.
9. The council has executive arrangements in place consisting of a cabinet, a scrutiny committee and a joint scrutiny committee with Vale of White Horse District Council. Cabinet is responsible for proposing the budget and policy framework and implementing them once approved by Council. The scrutiny function allows a committee to question and challenge the policy and performance of Cabinet and promote public debate.
10. The Chief Executive advises councillors on policy and procedures to drive the aims and objectives of the council. As head of paid service, the Chief Executive oversees the employment and conditions of staff. The Chief Executive leads a senior management team, shared with Vale of White Horse District Council. Mark Stone was appointed as permanent Chief Executive from 1 January 2018. The Chief Finance Officer, the Monitoring Officer, Acting Deputy Chief Executives and heads of service are responsible for advising Cabinet and scrutiny committees on legislative, financial and other policy considerations to achieve the council's objectives. These officers are responsible for implementing councillors' decisions. Simon Hewings became Interim Head of Finance in December 2019.
11. The governance framework for 2019/20 was based on the council's code of governance. This aims to meet the principles of good governance in all aspects of its work, with careful attention to the following main principles:
 - Focusing on the council's purpose and on outcomes for the community and creating and implementing a vision for the local area

- Councillors and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions, which are subject to effective scrutiny
- Managing risks
- Developing the capacity and capability of councillors and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

Review of effectiveness of the governance framework

12. The council has responsibility for reviewing, at least annually, the effectiveness of its governance framework, including the system of internal control. This review is informed by the work of managers who have responsibility for the upkeep 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.
13. The following section sets out tables showing:
 - the governance issues affecting the council;
 - how the council has tackled these issues in 2019/20 and the controls it has in place to ensure good governance; and
 - any actions identified to improve the council's governance.

The strategic planning framework

Ref.	Governance issue	Controls in 2019/20	Actions
1	How does the council ensure it undertakes its responsibilities correctly?	The strategic planning framework incorporates residents' and service-providers' views, as well as national and local priorities. The council periodically conducts a residents' survey to ensure the council's objectives reflect residents' priorities. The last survey was conducted in 2017/18.	To review the council's engagement strategy.
2	Where are the council's corporate priorities?	<p>The council's strategic objectives and corporate priorities are set out in the Corporate Plan 2016-2020, which was adopted on 14 April 2016. The Corporate Plan is published to the council's website.</p> <p>The Corporate Plan guides decisions on how the council invests financial and staffing resources and determines the types of projects the council supports through grant funding. Arising from the Corporate Plan, there is a detailed corporate delivery plan, identifying how services undertake specific activities to deliver the council's priorities.</p> <p>The corporate plan is under review and a new plan will commence in 2020.</p>	<p>To review the Corporate Plan 2016-2020 and produce a new plan from 2020 to 2024.</p> <p>Work on the new plan undertaken in 2019-20 for adoption in 2020-21</p>
3	How does the council address issues beyond its legal control and geographic limits?	<p>The council works with partners to address local issues. This is done through either formal partnerships or more informal liaison with other service providers. Examples of the formal partnerships include:</p> <ul style="list-style-type: none"> • Oxfordshire Growth Board • Oxfordshire Local Enterprise Partnership • South and Vale Community Safety Partnership 	
4	What other key strategic planning strategies does the council have?	<p>The council has a Core Strategy (2012), which sets out the planning framework under Town and Country Planning legislation. The emerging local plan has been submitted to the Secretary of State under Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012. On 5 March 2020, the Council received a Direction from the Secretary of state to progress the plan through examination to adopt the local plan by December 2020.</p> <p>The council has also taken part in the development of the draft Oxfordshire Plan 2050 with other councils across Oxfordshire through</p>	<p>To progress the local plan to adoption in December 2020.</p> <p>To work with Oxfordshire principal councils to progress the Oxfordshire Plan 2050.</p>

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		the Oxfordshire Growth Board. The draft plan was subject to consultation under Regulation 18 during 2018/19.	

The performance management framework

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5	How does the council set performance targets to achieve its strategic objectives?	<p>In the Corporate Plan 2016-20, the council has set performance targets to achieve its strategic objectives and corporate priorities. A corporate delivery plan ensures that the council meets targets and achieves objectives.</p> <p>The council shares its Senior Management Team and staff with Vale of White Horse District Council. This brings efficiencies for the council. As of 1 April 2020, the management structure includes three Acting Deputy Chief Executive posts. The Chief Executive will review the effectiveness of this management structure.</p> <p>Service areas have service plans to implement these objectives and meet the targets. Staff have individual workplans and targets, ensuring that we work towards achieving a <i>golden thread</i> that aligns the council's top-level objectives to the work of each council officer. Managers are responsible to ensure these have been met.</p>	
6	How does the council monitor performance against key targets?	The Senior Management Team receive regular board reports, which monitor performance of key measures. Analysis of the board report demonstrates that the council is meeting most of the key performance measures. In addition, the analysis shows a long-term, on-going trend of improvement.	To ensure the presentation of the board report is kept under review to measure performance against the strategic objectives.
7	Does the council monitor its performance against others?	An annual board report benchmarks the council's performance against other relevant district councils. This was not produced for 2019-20. Benchmarking work has been completed by Insight and Policy team in 2019-20 for 2018-19 data.	To continue to review the council's performance in the annual board report.

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8	How does the council monitor its contractors' performance?	The council operates a formal framework for monitoring contractors' performance and has officers monitoring performance on a regular basis. For the major contracts, monitoring reports are submitted to the Joint Scrutiny Committee and a report is made to the relevant Cabinet member.	

The legal framework

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9	How does the council ensure it is acting lawfully?	The council employs a Monitoring Officer, who is responsible for ensuring the council acts lawfully. The Monitoring Officer will report directly to full Council or to Cabinet where it is considered that any proposal, decision or omission would give rise to unlawfulness, or to the Joint Audit and Governance Committee, if any decision or omission has given rise to maladministration.	
10	How does the council ensure lawful decision-making? Does it have proper procedures in place?	<p>The council's Constitution sets out how it is managed and guides decision-making towards objectives and includes a set of procedure rules that govern how the council conducts its business. The Constitution also includes protocols covering the disclosure of interests in contracts and the relationship between officers and councillors.</p> <p>The Monitoring Officer is responsible for ensuring the lawfulness of decision-making and maintaining the Constitution. The Constitution sets out the terms of reference to each committee and the level of delegated authority to officers. A review and update of the Constitution was undertaken in 2017/18. The next review is underway.</p>	To review the Constitution in 2020-21. The Joint Constitution Review Group (comprising councillors from both councils) commenced the review in March 2020.
11	Does the council have a leader and a cabinet?	The Council appoints a leader, having adopted the 'strong leader' model under the Part 3 of the Local Government and Public Involvement in Health Act 2007. The leader has delegated authority to Cabinet members to make decisions within a given remit. Individual Cabinet member decisions are recorded and published with a 'wet signature'. Any key decisions taken by Cabinet, an individual Cabinet member or an officer are subject to the council's scrutiny call-in procedure, which is set out in the council's Constitution.	

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12	Do officer reports to council meetings contain legal advice?	All officer reports to the Council, Cabinet or committee meetings contain a section on the legal implications of taking a decision. All draft reports are subject to consultation with Senior Management Team, legal and finance officers before publication.	
13	How does the council ensure councillors uphold strong ethical standards?	<p>The council's Constitution incorporates the Councillors' Code of Conduct, which requires high standards of conduct. The Monitoring Officer provides training to councillors on compliance with the Councillors' Code of Conduct.</p> <p>The council has appointed two independent persons to advise the Monitoring Officer and councillors on Code of Conduct complaints.</p> <p>The Monitoring Officer presents an annual report to the Joint Audit and Governance Committee on the operation of the Councillors' Code of Conduct. This set out how councillors' compliance with the code is monitored. No significant issues were raised in the last annual report. However, the government is consulting on a revision to the code of conduct; if amended, the revision will need to be embedded in a revised code.</p>	To monitor the outcome of the government's consultation on a revision to the code of conduct, and if revised, to ensure the council's Councillor Code of Conduct is updated with the required changes.
14	Does the council's legal team meet the high-quality standards?	Lexcel is the Law Society's accreditation quality mark. This has been awarded to the council's legal team, which undergoes a rigorous independent assessment each year to ensure that it meets the required standards of excellence in areas such as customer care, case management and risk management. The legal team passed the Annual Maintenance Visit on 6 Feb 2020.	

The financial framework

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15	How does the council ensure correct financial procedures?	The council appoints a Section 151 Officer, who is responsible for the overall management of its financial affairs. The Section 151 Officer determines all financial systems, procedures and supporting records of the council, after consultation with Acting Deputy Chief Executives and Heads of Service. Any new or amended financial systems, procedures	

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		or practices are agreed with the Section 151 Officer before implementation.	
16	How do councillors and officers work together to ensure financial accountability?	Cabinet and the Senior Management Team exercise collective responsibility for financial matters. All members of the Senior Management Team accept individual and collective responsibility for the use of resources and financial accountability. Senior Management Team supports Cabinet in the budget-setting process before Cabinet recommends the budget to full Council.	
17	Who approves the budget?	<p>Full Council is responsible for setting the budget and the council tax. The budget setting includes the revenue budget for the forthcoming year, and the capital programme for the forthcoming five-year period. The Council also approves a medium term financial plan for the next five years and a capital strategy for the forthcoming ten-year period. This ensures better long-term financial planning.</p> <p>The Section 151 Officer reports to Council on the robustness of the budget of the financial estimates and the adequacy of reserves.</p>	
18	Does the council share resources to save costs?	To save costs, the council shares its staff and office resources with Vale of White Horse District Council. The council has several joint contracts to achieve efficiency savings.	
19	How does the council manage its financial investments?	Full Council is responsible for approving the Treasury Management Strategy. This governs the operation of the council's treasury function and is reviewed at least annually or when otherwise necessary. This strategy includes parameters for lending and borrowing and identifies the risks of treasury activity. The Joint Audit and Governance Committee and Cabinet review the draft strategy proposals before they are recommended to Council. The Joint Audit and Governance Committee and Cabinet review the operation of the current strategy with mid-year and end of year monitoring reports, which are also recommended to Council.	
20	Once the budget is set, how is it implemented?	Cabinet has overall responsibility for the implementation of the council's financial strategies and spending plans. It is authorised to make financial decisions, subject to these being consistent with the budget and policy framework and the Constitution. Cabinet receives periodic budget monitoring reports. Heads of service are required to provide	To present regular budget monitoring reports to Cabinet.

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		<p>reasons for budget variances; these recorded in the budget monitoring report.</p> <p>Senior Management Team considers requests for budget virements; the Constitution sets out the formal approval process. This ensures that the council is able to realign resources to ensure that over- or underspends do not impact on its ability to deliver other services.</p>	
21	How are finances managed at service level?	Acting Deputy Chief Executives and Heads of Service are responsible for ensuring the proper maintenance of financial procedures and records, and the security of assets, property, records, and data within their service area.	
22	Is the management of budgets subject to audit?	Internal Audit conducts a periodic review of the council's budgetary control. This was last audited in 2019/20 and a satisfactory assurance opinion was issued.	
23	Do officer reports to council meetings contain financial advice?	All officer reports to the Council, Cabinet or committee meetings contain a section on the financial implications of taking a decision. All draft reports are subject to consultation with Senior Management Team, legal and finance officers before publication.	
24	How are the council's accounts approved?	<p>The council prepares a set of financial statements each year, which are submitted to the Joint Audit and Governance Committee for approval.</p> <p>The 2018/19 accounts were approved by the external auditor during 2019/20.</p>	To prepare the statement of accounts in 2020/21.
25	Are the accounts audited?	The council's financial statements are audited by its external auditor, EY. Each year's accounts and EY's annual Audit Letter are available to the public and are published on the council's website. The audited accounts and the external auditor's report are considered by the Joint Audit and Governance Committee.	
26	How does the council ensure it follows the correct accountancy practices?	Officers keep up to date with the latest accounting developments, which enable them to be prepared for the changes in accounting practice that affect the preparation and presentation of the financial statements. The council subscribes to the Chartered Institute of Finance and Accountancy's (CIPFA) finance advisory network and officers regularly	

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		attend these network events, enabling them to prepare for changes to accounting requirements.	

The risk management framework

Ref.	Governance issue	Controls in 2019/20	Actions
27	How does the council assess risks to ensure services are not disrupted?	<p>Risk management is important to the successful delivery of the council's objectives. It identifies and assesses risks, decides on appropriate responses, and provides assurance that the chosen responses are effective. The overall responsibility for effective risk management in the council lies with the Chief Executive, supported by the Senior Management Team. The council uses a standard risk management methodology which encompasses the identification, analysis, prioritisation, management and monitoring of risks in a corporate risk register.</p> <p>Councillors are made aware of how these risks are being managed through reports to the Joint Audit and Governance Committee. The council employs a risk and insurance officer to implement the risk management strategy.</p> <p>A revised risk management strategy and supporting framework 2017-19 were approved by the Joint Audit and Governance Committee on 25 September 2017. Regular monitoring reports are submitted to the committee.</p>	To review risk management arrangements to ensure they are up to date, including conducting a review of the risk management strategy and supporting framework beyond 2020.
28	How does management monitor risks?	<p>Risk champions have been identified for each service area, and operational risk registers are in place for these and all heads of service are responsible for ensuring that risks are identified and prioritised and entered onto the risk register. A monthly meeting reviews the operational risk registers and 'horizon scans' future risks.</p> <p>All line managers are responsible for implementing strategies at team level through adequate communication, training and the assessment and monitoring of risks. All officers must consider risk as part of everyday activities and provide input to the risk management process.</p>	

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29	Does the council have any business continuity arrangements?	The council has business continuity management arrangements in place to ensure continuation of priority services in the event of an unforeseen disruption. These arrangements were put into practice in March 2020 when the Covid-19 pandemic resulted in the government instructing everyone to work from home where they could. The council had implemented this a week prior to the government's imposed lockdown.	To ensure business continuity arrangements continue to be regularly reviewed.
30	Do officer reports to council meetings advise on risk?	Risk management has been incorporated into officer reports to Council, Cabinet and committee meetings, where officers are required to detail the risks that the council faces in making its decision.	

The management development framework

Ref.	Governance issue	Controls in 2019/20	Actions
31	How does the council help new councillors in their roles?	Councillors are offered a comprehensive induction programme after their election. This includes a welcome event, a councillor's guide, a briefing on essential issues affecting the council, and targeted training sessions on planning and licensing law, and effective scrutiny. There will be a further assessment of ongoing training needs. Members of the Joint Audit and Governance Committee will also have a training programme. After the May 2019 elections, the Councillors induction programme was implemented.	To continue to implement the councillors' induction programme and to induct any councillors elected at a by-election.
32	Does the council have an audit committee?	The council has a Joint Audit and Governance Committee with Vale of White Horse District Council. The purpose of the joint committee is to ensure a consistent approach, avoid duplication of resources and improve joint working between both councils. The Joint Audit and Governance Committee undertakes the core functions of an audit committee, as set out in CIPFA's Audit Committees – Practical Guidance for Local Authorities (2005). Each council continues to have an individual audit and governance sub-committee to agree procedures for handling individual code of conduct complaints against district, town and parish councillors.	To continue to ensure that the Joint Audit and Governance Committee membership is trained appropriately.
33	Does the council have a scrutiny function?	The council has a Joint Scrutiny Committee with Vale of White Horse District Council and a separate Scrutiny Committee to consider its own	To continue to ensure that the Joint

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		<p>matters. The scrutiny committees continue to help develop council policy. They also review performance in meeting council objectives, and the council's own Scrutiny Committee holds Cabinet to account for its decisions. The scrutiny committees can set up task groups to look into issues and suggest improvements.</p> <p>Scrutiny training was completed following the May elections and scrutiny briefing sessions.</p>	<p>Scrutiny Committee and Scrutiny Committee members are trained appropriately.</p>
34	Does the council have a management training programme?	<p>The development opportunities for senior officers includes support towards a nationally recognised qualification. They can also attend other strategic leadership programmes. Attendees evaluate these programmes, provide feedback and line managers review training as part of the development and performance review and the formal one to one process.</p>	<p>To continue the management development training programme in 2020/21 to consolidate management development through refresher and follow-up sessions.</p>

Internal Audit

Ref.	Governance issue	Controls in 2019/20	Actions
35	How does the council audit its functions?	<p>Internal Audit is the council's independent assurance function that provides an objective assessment on the effectiveness of the council's services. It assists the council by evaluating the adequacy of governance, risk management, internal controls and use of resources through its planned audit work and recommends improvements where necessary.</p> <p>The internal audit manager reviews the entries in the gifts and hospitality register and regularly reminds councillors and officers of the requirements of the gifts and hospitality policy.</p>	<p>To continue to provide a regular reminder of the requirements of the gifts and hospitality policy to councillors and officers in 2020/21.</p>

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		<p>Internal Audit provides assurance that it has complied with the relevant Internal Audit Standard setters. These include the Chartered Institute of Public Finance and Accountancy's Public Sector Internal Audit Standards, which came into effect on 1 April 2013. From 1 April 2017 these standards encompassed the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.</p>	
36	Does the council pro-actively combat fraud?	<p>Internal Audit's rolling audit plan includes a pro-active anti-fraud review each year to test the effectiveness of management controls to prevent/detect fraud within the key financial, HR and IT processes. The profile of the anti-fraud, bribery and corruption policy and the whistleblowing policy have been raised by increased visibility, resulting from inclusion on the council's website.</p> <p>The council actively participates in the national anti-fraud initiative, publicises successful cases against fraud, and shares intelligence with relevant partner organisations such as the Police, the Department for Work and Pensions, and the Housing Benefit Matching Service. The council prosecutes those committed of fraud. It undertakes active recovery of fraudulent overpayments and ensures policies are applied consistently.</p> <p>The internal control arrangements include the council's Constitution, the provision of an internal audit service, reports to the Joint Audit and Governance Committee when necessary, transparent governance reporting through an assurance framework, and compliance with relevant laws and regulations.</p> <p>The council has an anti-money laundering policy and procedure and has designated the Section 151 Officer to be the council's anti-money laundering reporting officer.</p> <p>While the risk of money laundering to the council remains low, the council remains vigilant. The council has in place an anti-fraud, bribery</p>	To embed anti-money laundering arrangements in 2020-21

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		and corruption policy and a whistleblowing policy; these were reviewed and updated in 2019.	

External sources of assurance

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37	How does the council respond to issues raised by its external auditor?	<p>Issues raised by the council's external auditor, and other external inspectors are used to identify improvement areas in the council's governance arrangements. EY was appointed as the council's external auditor by the Public Sector Audit Appointments to continue to act as external auditors to South Oxfordshire District Council from 2018/19.</p> <p>The council prepares its accounts under International Financial Reporting Standards. EY has yet to issue an unqualified opinion on the council's 2018/19 financial statements.</p> <p>Any issues raised by the council's external auditor are reported to the Joint Audit and Governance Committee. The committee ensures the actions are taken by instructing Senior Management Team accordingly.</p> <p>The Local Government Ombudsman provides a summary information on complaints about the council to enable it to incorporate any feedback into service improvement. These are reported to the Joint Audit and Governance Committee annually. The Senior Management Team has used the ombudsman's feedback to review service provision.</p>	


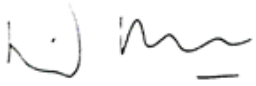
Current governance issues

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38	How does the council monitor its contract	The council has a contract for some of its corporate services with a contractor, through the Five Councils Partnership with Hart District Council, Havant Borough Council, Mendip District Council, and Vale of	To keep the corporate services contract under

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	under the Five Councils Partnership?	White Horse District Council. The council entered into an inter-authority agreement with the other partner councils to cover the procurement and the governance of the future partnership. In addition, a joint client team and a joint committee oversee the delivery of the contract. The Joint Scrutiny Committee with Vale of White Horse District Council undertakes the scrutiny role.	review in 2020/21, taking any opportunities for commercial or operational improvement.
39	Does the council monitor the effectiveness of individual projects?	Following a series of programme governance reviews in 2018/19, the council reviewed and updated its project management framework.	To continue to monitor the effectiveness of projects in 2020/21.

Conclusion

14. The council proposes over the coming year to take steps to address the actions above. These will further enhance governance arrangements. We, the undersigned, 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.

Signature	 Mark Stone, Chief Executive	Date	30 November 2021
Signature	 Councillor David Rouane, Leader of the Council	Date	30 November 2021

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1	How does the council ensure it undertakes its responsibilities correctly?	The strategic planning framework incorporates residents' and service-providers' views, as well as national and local priorities. The council periodically conducts a residents' survey to ensure the council's objectives reflect residents' priorities. The last survey was conducted in 2017/18.	To review the council's engagement strategy.
2	Where are the council's corporate priorities?	<p>The council's strategic objectives and corporate priorities are set out in the Corporate Plan 2016-2020, which was adopted on 11 May 2016. The Corporate Plan is published to the council's website.</p> <p>The Corporate Plan guides decisions on how the council invests financial and staffing resources and determines the types of projects the council supports through grant funding. Arising from the Corporate Plan, there is a detailed corporate delivery plan, identifying how services undertake specific activities to deliver the council's priorities.</p> <p>The corporate plan is under review and a new plan will commence in 2020-21.</p>	<p>To review the Corporate Plan 2016-2020 and produce a new plan from 2020 to 2024.</p> <p>Work on the new plan undertaken in 2019-20 for adoption in 2020-21</p>
3	How does the council address issues beyond its legal control and geographic limits?	<p>The council works with partners to address local issues. This is done through either formal partnerships or more informal liaison with other service providers. Examples of the formal partnerships include:</p> <ul style="list-style-type: none"> • Oxfordshire Growth Board • Oxfordshire Local Enterprise Partnership • South and Vale Community Safety Partnership 	
4	What other key strategic planning strategies does the council have?	<p>The council has an Adopted Local Plan 2031, which sets out the planning framework under Town and Country Planning legislation. The Local Plan 2031 Part 2 was submitted to the Secretary of State under Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012 in February 2018. Part 2 of the Local Plan was then Adopted by the council on 9 October 2019.</p> <p>The council published an updated Local Development Scheme in February 2020 setting out the timescales for the next Local Plan (2041) and the Oxfordshire Plan 2050. The council has taken part in the</p>	To work with Oxfordshire principal councils to progress the Oxfordshire Plan 2050.

Ref.	Governance issue	Controls in 2019/20	Actions
		development of the draft Oxfordshire Plan 2050 with other councils across Oxfordshire through the Oxfordshire Growth Board. The draft plan was subject to consultation under Regulation 18 during 2018/19.	

The performance management framework

Ref.	Governance issue	Controls in 2019/20	Actions
5	How does the council set performance targets to achieve its strategic objectives?	<p>In the Corporate Plan 2016-20, the council has set performance targets to achieve its strategic objectives and corporate priorities. A corporate delivery plan ensures that the council meets targets and achieves objectives.</p> <p>The council shares its Senior Management Team and staff with South Oxfordshire District Council. This brings efficiencies for the council. As of 1 April 2020, the management structure includes three Acting Deputy Chief Executive posts. The Chief Executive will review the effectiveness of this management structure.</p> <p>Service areas have service plans to implement these objectives and meet the targets. Staff have individual workplans and targets, ensuring that we work towards a <i>golden thread</i> that aligns the council's top-level objectives to the work of each council officer. Managers are responsible to ensure these have been met.</p>	
6	How does the council monitor performance against key targets?	The Senior Management Team receive regular board reports, which monitor performance of key measures. Analysis of the board report demonstrates that the council is meeting most of the key performance measures. In addition, the analysis shows a long-term, on-going trend of improvement.	To ensure the presentation of the board report is kept under review to measure performance against the strategic objectives.
7	Does the council monitor its	An annual board report benchmarks the council's performance against other relevant district councils. This was not produced for 2019-20.	To continue to review the council's

Ref.	Governance issue	Controls in 2019/20	Actions
	performance against others?	Benchmarking work has been completed by Insight and Policy team during 2019-20 for 2018-19 data.	performance in the annual board report.
8	How does the council monitor its contractors' performance?	The council operates a formal framework for monitoring contractors' performance and has officers monitoring performance on a regular basis. For the major contracts, monitoring reports are submitted to the Joint Scrutiny Committee and a report is made to the relevant Cabinet member.	

The legal framework

Ref.	Governance issue	Controls in 2019/20	Actions
9	How does the council ensure it is acting lawfully?	The council employs a Monitoring Officer, who is responsible for ensuring the council acts lawfully. The Monitoring Officer will report directly to full Council or to Cabinet where it is considered that any proposal, decision or omission would give rise to unlawfulness, or to the Joint Audit and Governance Committee, if any decision or omission has given rise to maladministration.	
10	How does the council ensure lawful decision-making? Does it have proper procedures in place?	The council's Constitution sets out how it is managed and guides decision-making towards objectives and includes a set of procedure rules that govern how the council conducts its business. The Constitution also includes protocols covering the disclosure of interests in contracts and the relationship between officers and councillors. The Monitoring Officer is responsible for ensuring the lawfulness of decision-making and maintaining the Constitution. The Constitution sets out the terms of reference to each committee and the level of delegated authority to officers. A review and update of the Constitution was undertaken in 2017/18. The next review is underway.	To review the Constitution in 2020-21. The Joint Constitution Review Group (comprising councillors from both councils) commenced the review in March 2020.
11	Does the council have a leader and a cabinet?	The Council appoints a leader, having adopted the 'strong leader' model under the Part 3 of the Local Government and Public Involvement in Health Act 2007. The leader has delegated authority to Cabinet members to make decisions within a given remit. Individual Cabinet member decisions are recorded and published with a 'wet signature'. Any key decisions taken by Cabinet, an individual Cabinet member or an	

Ref.	Governance issue	Controls in 2019/20	Actions
		officer are subject to the council's scrutiny call-in procedure, which is set out in the council's Constitution.	
12	Do officer reports to council meetings contain legal advice?	All officer reports to the Council, Cabinet or committee meetings contain a section on the legal implications of taking a decision. All draft reports are subject to consultation with Senior Management Team, legal and finance officers before publication.	
13	How does the council ensure councillors uphold strong ethical standards?	<p>The council's Constitution incorporates the Councillors' Code of Conduct, which requires high standards of conduct. The Monitoring Officer provides training to councillors on compliance with the Councillors' Code of Conduct.</p> <p>The council has appointed two independent persons to advise the Monitoring Officer and councillors on Code of Conduct complaints.</p> <p>The Monitoring Officer presents an annual report to the Joint Audit and Governance Committee on the operation of the Councillors' Code of Conduct. This set out how councillors' compliance with the code is monitored. No significant issues were raised in the last annual report. However, the government is consulting on a revision to the code of conduct; if amended, the revision will need to be embedded in a revised code.</p>	To monitor the outcome of the government's consultation on a revision to the code of conduct, and if revised, to ensure the council's Councillor Code of Conduct is updated with the required changes.
14	Does the council's legal team meet the high-quality standards?	Lexcel is the Law Society's accreditation quality mark. This has been awarded to the council's legal team, which undergo a rigorous independent assessment each year to ensure that it meets the required standards of excellence in areas such as customer care, case management and risk management. The legal team passed Annual Maintenance Visit on 6 th Feb 2020.	

The financial framework

Ref.	Governance issue	Controls in 2019/20	Actions
15	How does the council ensure correct financial procedures?	The council appoints a Section 151 Officer, who is responsible for the overall management of its financial affairs. The Section 151 Officer determines all financial systems, procedures and supporting records of	

Ref.	Governance issue	Controls in 2019/20	Actions
		the council, after consultation with Acting Deputy Chief Executives and Heads of Service. Any new or amended financial systems, procedures or practices are agreed with the Section 151 Officer before implementation.	
16	How do councillors and officers work together to ensure financial accountability?	Cabinet and the Senior Management Team exercise collective responsibility for financial matters. All members of the Senior Management Team accept individual and collective responsibility for the use of resources and financial accountability. Senior Management Team supports Cabinet in the budget-setting process before Cabinet recommends the budget to full Council.	
17	Who approves the budget?	<p>Full Council is responsible for setting the budget and the council tax. The budget setting includes the revenue budget for the forthcoming year, and the capital programme for the forthcoming five-year period. The Council also approves a medium-term financial plan for the next five years and a capital strategy for the forthcoming ten-year period. This ensures better long-term financial planning.</p> <p>The Section 151 Officer reports to Council on the robustness of the budget of the financial estimates and the adequacy of reserves.</p>	
18	Does the council share resources to save costs?	To save costs, the council shares its staff and office resources with South Oxfordshire District Council. The council has several joint contracts to achieve efficiency savings.	
19	How does the council manage its financial investments?	Full Council is responsible for approving the Treasury Management Strategy. This governs the operation of the council's treasury function and is reviewed at least annually or when otherwise necessary. This strategy includes parameters for lending and borrowing and identifies the risks of treasury activity. The Joint Audit and Governance Committee and Cabinet review the draft strategy proposals before they are recommended to Council. The Joint Audit and Governance Committee and Cabinet review the operation of the current strategy with mid-year and end of year monitoring reports, which are also recommended to Council.	
20	Once the budget is set, how is it implemented?	Cabinet has overall responsibility for the implementation of the council's financial strategies and spending plans. It is authorised to make financial decisions, subject to these being consistent with the budget	To present regular budget monitoring reports to Cabinet.

Ref.	Governance issue	Controls in 2019/20	Actions
		<p>and policy framework and the Constitution. Cabinet receives periodic budget monitoring reports. Heads of service are required to provide reasons for budget variances; these recorded in the budget monitoring report.</p> <p>Senior Management Team considers requests for budget virements; the Constitution sets out the formal approval process. This ensures that the council is able to realign resources to ensure that over- or underspends do not impact on its ability to deliver other services.</p>	
21	How are finances managed at service level?	Acting Deputy Chief Executives and Heads of Service are responsible for ensuring the proper maintenance of financial procedures and records, and the security of assets, property, records, and data within their service area.	
22	Is the management of budgets subject to audit?	Internal Audit conducts a periodic review of the council's budgetary control. This was last audited in 2019/20 and a satisfactory assurance opinion was issued.	
23	Do officer reports to council meetings contain financial advice?	All officer reports to the Council, Cabinet or committee meetings contain a section on the financial implications of taking a decision. All draft reports are subject to consultation with Senior Management Team, legal and finance officers before publication.	
24	How are the council's accounts approved?	<p>The council prepares a set of financial statements each year, which are submitted to the Joint Audit and Governance Committee for approval.</p> <p>The 2018/19 accounts were approved by the external auditor during 2019/20.</p>	To prepare the statement of accounts in 2020-21.
25	Are the accounts audited?	The council's financial statements are audited by its external auditor, EY. Each year's accounts and EY's annual Audit Letter are available to the public and are published on the council's website. The audited accounts and the external auditor's report are considered by the Joint Audit and Governance Committee.	
26	How does the council ensure it follows the	Officers keep up to date with the latest accounting developments, which enable them to be prepared for the changes in accounting practice that affect the preparation and presentation of the financial statements. The	

Ref.	Governance issue	Controls in 2019/20	Actions
	correct accountancy practices?	council subscribes to the Chartered Institute of Finance and Accountancy's (CIPFA) finance advisory network and officers regularly attend these network events, enabling them to prepare for changes to accounting requirements.	

The risk management framework

Ref.	Governance issue	Controls in 2019/20	Actions
27	How does the council assess risks to ensure services are not disrupted?	<p>Risk management is important to the successful delivery of the council's objectives. It identifies and assesses risks, decides on appropriate responses, and provides assurance that the chosen responses are effective. The overall responsibility for effective risk management in the council lies with the Chief Executive, supported by the Senior Management Team. The council uses a standard risk management methodology which encompasses the identification, analysis, prioritisation, management and monitoring of risks in a corporate risk register.</p> <p>Councillors are made aware of how these risks are being managed through reports to the Joint Audit and Governance Committee. The council employs a risk and insurance officer to implement the risk management strategy.</p> <p>A revised risk management strategy and supporting framework 2017-19 were approved by the Joint Audit and Governance Committee on 25 September 2017. Regular monitoring reports are submitted to the committee.</p>	To review risk management arrangements to ensure they are up to date, including conducting a review of the risk management strategy and supporting framework beyond 2020.
28	How does management monitor risks?	<p>Risk champions have been identified for each service area, and operational risk registers are in place for these and all heads of service are responsible for ensuring that risks are identified and prioritised and entered onto the risk register. A monthly meeting reviews the operational risk registers and 'horizon scans' future risks.</p> <p>All line managers are responsible for implementing strategies at team level through adequate communication, training and the assessment</p>	

Ref.	Governance issue	Controls in 2019/20	Actions
		and monitoring of risks. All officers must consider risk as part of everyday activities and provide input to the risk management process.	
29	Does the council have any business continuity arrangements?	The council has business continuity management arrangements in place to ensure continuation of priority services in the event of an unforeseen disruption. These arrangements were put into practice in March 2020 when the Covid-19 pandemic resulted in the government instructing everyone to work from home where they could. The council had implemented this a week prior to the government's imposed lockdown.	To ensure business continuity arrangements continue to be regularly reviewed.
30	Do officer reports to council meetings advise on risk?	Risk management has been incorporated into officer reports to Council, Cabinet and committee meetings, where officers are required to detail the risks that the council faces in making its decision.	

The management development framework

Ref.	Governance issue	Controls in 2019/20	Actions
31	How does the council help new councillors in their roles?	Councillors are offered a comprehensive induction programme after their election. This includes a welcome event, a councillor's guide, a briefing on essential issues affecting the council, and targeted training sessions on planning and licensing law, and effective scrutiny. There will be a further assessment of ongoing training needs. Members of the Joint Audit and Governance Committee will also have a training programme. After the May 2019 elections, the Councillors induction programme was implemented.	To continue to implement the councillors' induction programme and to induct any councillors elected at a by-election.
32	Does the council have an audit committee?	The council has a Joint Audit and Governance Committee with South Oxfordshire District Council. The purpose of the joint committee is to ensure a consistent approach, avoid duplication of resources and improve joint working between both councils. The Joint Audit and Governance Committee undertakes the core functions of an audit committee, as set out in CIPFA's Audit Committees – Practical Guidance for Local Authorities (2005). Each council continues to have an individual audit and governance sub-committee to agree procedures for handling individual code of conduct complaints against district, town and parish councillors.	To continue to ensure that the Joint Audit and Governance Committee membership is trained appropriately.

Ref.	Governance issue	Controls in 2019/20	Actions
33	Does the council have a scrutiny function?	The council has a Joint Scrutiny Committee with South Oxfordshire District Council and a separate Scrutiny Committee to consider its own matters. The scrutiny committees continue to help develop council policy. They also review performance in meeting council objectives, and the council's own Scrutiny Committee holds Cabinet to account for its decisions. The scrutiny committees can set up task groups to look into issues and suggest improvements. Scrutiny training was completed following the May elections and scrutiny briefing sessions.	To continue to ensure that the Joint Scrutiny Committee and Scrutiny Committee are trained appropriately.
34	Does the council have a management training programme?	The development opportunities for senior officers includes support towards a nationally recognised qualification. They can also attend other strategic leadership programmes. Attendees evaluate these programmes, provide feedback and line managers review training as part of the development and performance review and the formal one to one process.	To continue the management development training programme in 2020/21 to consolidate management development through refresher and follow-up sessions.

Internal Audit

Ref.	Governance issue	Controls in 2019/20	Actions
35	How does the council audit its functions?	Internal Audit is the council's independent assurance function that provides an objective assessment on the effectiveness of the council's services. It assists the council by evaluating the adequacy of governance, risk management, internal controls and use of resources through its planned audit work and recommends improvements where necessary. The internal audit manager reviews the entries in the gifts and hospitality register and regularly reminds councillors and officers of the requirements of the gifts and hospitality policy.	To continue to provide a regular reminder of the requirements of the gifts and hospitality policy to councillors and officers in 2020/21.

Ref.	Governance issue	Controls in 2019/20	Actions
		<p>Internal Audit provides assurance that it has complied with the relevant Internal Audit Standard setters. These include the Chartered Institute of Public Finance and Accountancy's Public Sector Internal Audit Standards, which came into effect on 1 April 2013. From 1 April 2017 these standards encompassed the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.</p>	
36	Does the council pro-actively combat fraud?	<p>Internal Audit's rolling audit plan includes a pro-active anti-fraud review each year to test the effectiveness of management controls to prevent/detect fraud within the key financial, HR and IT processes. The profile of the anti-fraud, bribery and corruption policy and the whistleblowing policy have been raised by increased visibility, resulting from inclusion on the council's website.</p> <p>The council actively participates in the national anti-fraud initiative, publicises successful cases against fraud, and shares intelligence with relevant partner organisations such as the Police, the Department for Work and Pensions, and the Housing Benefit Matching Service. The council prosecutes those committed of fraud. It undertakes active recovery of fraudulent overpayments and ensures policies are applied consistently.</p> <p>The internal control arrangements include the council's Constitution, the provision of an internal audit service, reports to the Joint Audit and Governance Committee when necessary, transparent governance reporting through an assurance framework, and compliance with relevant laws and regulations.</p> <p>The council has an anti-money laundering policy and procedure and has designated the Section 151 Officer to be the council's anti-money laundering reporting officer.</p> <p>While the risk of money laundering to the council remains low, the council remains vigilant. The council has in place an anti-fraud, bribery</p>	To embed anti-money laundering arrangements in 2020/21

Ref.	Governance issue	Controls in 2019/20	Actions
		and corruption policy and a whistleblowing policy; these were reviewed and updated in 2019.	

External sources of assurance

Ref.	Governance issue	Controls in 2019/20	Actions
37	How does the council respond to issues raised by its external auditor?	<p>Issues raised by the council's external auditor, and other external inspectors are used to identify improvement areas in the council's governance arrangements. EY was appointed as the council's external auditor by the Public Sector Audit Appointments to continue to act as external auditors to Vale of White Horse District Council from 2018/19.</p> <p>The council prepares its accounts under International Financial Reporting Standards. EY has yet to issue an unqualified opinion on the council's 2018/19 financial statements.</p> <p>Any issues raised by the council's external auditor are reported to the Joint Audit and Governance Committee. The committee ensures the actions are taken by instructing Senior Management Team accordingly.</p> <p>The Local Government Ombudsman provides a summary information on complaints about the council to enable it to incorporate any feedback into service improvement. These are reported to the Joint Audit and Governance Committee annually. The Senior Management Team has used the ombudsman's feedback to review service provision.</p>	



Current governance issues

Ref.	Governance issue	Controls in 2019/20	Actions
38	How does the council monitor its contract	The council has a contract for some of its corporate services with a contractor, through the Five Council Partnership with Hart District Council, Havant Borough Council, Mendip District Council, and South	To keep the corporate services contract under

Ref.	Governance issue	Controls in 2019/20	Actions
	under the Five Councils Partnership?	Oxfordshire District Council. The council entered into an inter-authority agreement with the other partner councils to cover the procurement and the governance of the future partnership. In addition, a joint client team and a joint committee oversee the delivery of the contract. The Joint Scrutiny Committee with South Oxfordshire District Council undertakes the scrutiny role.	review in 2020/21, taking any opportunities for commercial or operational improvement.
39	Does the council monitor the effectiveness of individual projects?	Following a series of programme governance reviews in 2018/19, the council reviewed and updated its project management framework. A project team is established for each project.	To continue to monitor the effectiveness of projects in 2020/21.

Conclusion

14. The council proposes over the coming year to take steps to address the actions above. These will further enhance governance arrangements. We, the undersigned, 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.

Signature		Date	30 November 2021
	Mark Stone, Chief Executive		
Signature		Date	30 November 2021
	Councillor Emily Smith, Leader of the Council		