

Governance statement

In recent years, it has become common for companies and public bodies to produce a corporate governance statement to assure stakeholders of the steps taken by organisations to act in a responsible and ethical manner.

The OxLEP Board has a duty to ensure its financial affairs are conducted in an environment of good governance and financial probity – it does so by maintaining a governance framework to ensure OxLEP staff work within the parameters set out by the Board. That governance framework consists of policies and procedures, control systems and external validation to ensure the organisation is fulfilling its obligations.

All business contains an element of risk and while the framework exists to manage risk to a reasonable level, it cannot eliminate all risk of failure to achieve aims and objectives.

The current OxLEP Board consists of the following members. All Board members are registered as directors of the company 'OxLEP Ltd' with Companies House.

Position	Name	Representing
Chair	Jeremy Long	Private sector
Deputy Chair	Adrian Lockwood	Oxfordshire Skills Board (private sector)
Vice Chair	<ul style="list-style-type: none"> • Cllr. Barry Wood (April 2016 to June 2016) • Cllr. Ian Hudspeth (July 2016 to March 2017) 	Chair of Oxfordshire Growth Board
Local authority representative	Cllr. Matt Barber	Vale of White Horse District Council
Local authority representative	Cllr. John Cotton	South Oxfordshire District Council
Local authority representative	Cllr. Ian Hudspeth	Oxfordshire County Council
Local authority representative	Cllr. James Mills	West Oxfordshire District Council
Local authority representative	Cllr. Bob Price	Oxford City Council
Local authority representative	Cllr. Barry Wood	Cherwell District Council
Private sector representative	Bob Bradley	Chamber of Commerce
Private sector representative	Sally Dicketts	Further education
Private sector representative	Professor Alistair Fitt	Higher education
Private sector representative	Professor Andrew Harrison	Private sector – Science Vale Oxford UK
Private sector representative	Penny Rinta-Suksi	Private sector
Private sector representative	Phil Shadbolt	Private sector – Bicester Vision
Private sector	Phil Southall	Private sector

representative		
Private sector representative	Richard Venables	Private sector – Oxford Strategic Partnership
Private sector representative	Professor Ian Walmsley	Higher education
OxLEP Ltd Chief Executive	Nigel Tipple	Attends <i>ex officio</i> and is not entitled to be admitted to membership

In addition the Section 151 Officer from the accountable body, Oxfordshire County Council, and the BEIS Area Lead for Oxfordshire has the right to attend and speak but not vote.

Membership of the Board, how meetings are to be conducted and the roles and responsibilities of Directors are set out in the Articles of Association and By-Laws of OxLEP Ltd. Board members are not remunerated for their time, but can claim reasonable business expenses when they are acting on OxLEP business. All directors are required to declare interests which may conflict with their role on the Board. These declarations are published on the OxLEP website and are reviewed and updated on a regular basis.

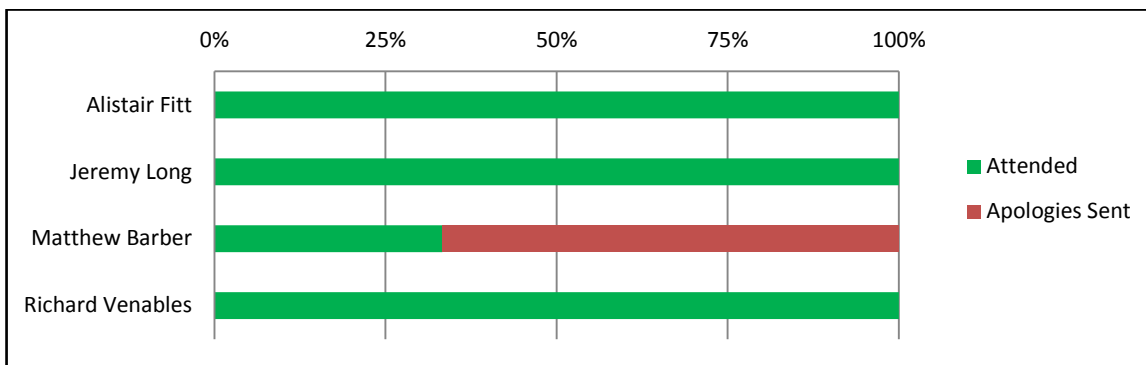
The OxLEP Board met on four occasions during the year, and the table below sets out Board attendance. Attendance is based on the maximum number of meetings a Board Member could have attended.



The organisation also has two formal sub-committees which consider business and make recommendations to the main Board.

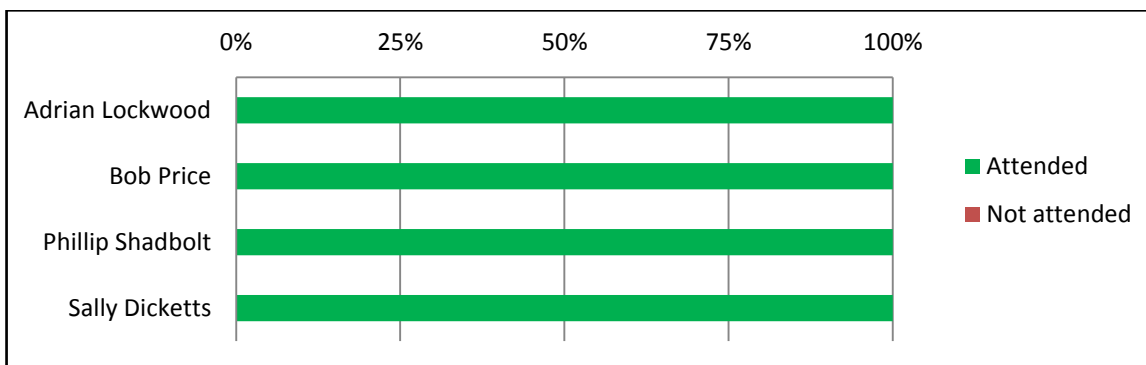
The Finance and Audit Committee is charged with providing internal challenge and scrutiny to the financial processes and procedures within the organisation. The Committee is chaired by the Board Chairman and includes three other non-executive directors. The Committee reviews financial regulations and procedures to ensure a sound control environment is in place and also receives and considers the reports from both internal and external audit on their independent assessments of that control environment. The Director of Finance from the accountable body is invited to attend all meetings along with OxLEP staff involved in relevant processes. Our internal and external auditors are also invited to discuss their work with the Committee as appropriate.

During the period the Finance and Audit Committee met three times during the year and attendance is set out below.



The Board has also established a Nominations and Personnel Committee to review and report on key issues dealing with the recruitment and retention of Board directors and OxLEP staff. The Committee is chaired by our Deputy Chairman and includes three other non-executive directors. The Committee is responsible for overseeing the recruitment and performance of the Board of directors and reports back to the Board on that subject. The Committee also reviews the policies and procedures for recruiting, managing and remunerating our staff, including the Chief Executive, and makes recommendations to the Board.

The Committee met twice during the period, once in person and once as a virtual meeting under written procedures.



Our staff

Responsibility for implementing the Board's strategic vision sits with the Chief Executive. Supporting him is the Corporate Management Team, which consists of the Chief Executive, Director of Business Development, Director of Strategy and Programmes¹ and the Head of Corporate Services. The Corporate Management Team meet monthly to ensure they and their staff are up to date with important issues impacting on the organisation and drive delivery of the organisations agreed objectives. The next level of management, the Senior Management Team, meets bimonthly to discuss the operations of the organisation.

OxLEP employed an average of 28 staff during the year, which included a mix of directly employed staff recruited on the open market and staff seconded from Oxfordshire County Council.

Six members of staff received a salary of over £50,000 during the year. The split of those staff is shown in the table below. OCC seconded staff are paid in accordance with the Council's pay structure. OxLEP staff salaries are benchmarked against similar organisations within the County, and are reviewed by the Nominations and Personnel Committee. All staff were paid at least the living wage.

Salary	Number of staff
£50,000 to £59,999	4
£60,000 to £69,999	0
£70,000 to £79,999	1
£80,000 to £89,999	0
£90,000 to £99,999	0
£100,000 to £109,999	0
£110,000 to £119,999	0
£120,000 to £129,999	1

External scrutiny

As a limited company working with public funds we understand the importance of transparency and internal/external scrutiny of the company to assure our partners, stakeholders and wider community that we are managing our finances appropriately. We produce financial statements every year to be filed with Companies House and though we could take the small company exemption and not have those statements audited we believe that it is in the public interest that we are audited. Critchleys LLP audited the financial statements and the control environment in which they were produced and gave a "clean" audit opinion and concluded that the controls and processes currently in place are appropriate for the scale and nature of our operations.

In addition to the review by our external auditors, our control environment is audited by internal auditors from our accountable body. They review the systems and safeguards in place to ensure they are effective, and make recommendations as to how we could work better. During the year the auditors reported that there is generally a good system of internal control in place and the majority of risks are being effectively managed. However some action is required to improve controls. To address this, the auditors made 11 recommendations and raised one supplementary issue. Of the recommendations, one was rated as Priority 1 which is a major issue or exposure to a significant risk that requires immediate action or the attention of Senior Management. The remaining 10 recommendations were rated Priority 2. OxLEP accepted all the recommendations and has produced an implementation plan to improve the control systems.

Risk management

Everything we do contains an element of risk, and it is the responsibility of the organisation, from the Board down to individual officers, to attempt to mitigate those risks. The organisation has identified 15 strategic risks which could significantly impact our ability to deliver our objectives. After mitigation, only 5 risks fall within the medium risk category or higher.

Risk	Mitigation
Reduction in available EU funding as a result of impact of Brexit.	<p>Maintain active dialogue with DCLG Officials.</p> <p>Driving programme delivery and national calls process through Area ESIF Committee.</p>
Uncertainty and disruption of both funding and staffing arrangements due to on-going devolution discussions.	<p>Working with Local Authorities to understand scope for reform.</p> <p>Engaging with DCLG to understand drivers for change.</p> <p>Development of joint devolution ambitions reflecting Oxfordshire's investment needs.</p> <p>Maintaining effective lines of communication with key stakeholders to ensure OxLEP decisions are fully informed of local circumstances.</p>
EU programme funding reduces due to exchange rate variations.	<p>Maintaining strong dialogue with EU programme Accountable Body.</p> <p>Managing allocations in Euros to avoid over commitment.</p>
Loss of Central Government Core Funding	<p>Agreeing Management fees for LGF Delivery support.</p> <p>Explore contributions from other sources and increase shared appointments.</p> <p>More aggressive fee and income generation strategy.</p> <p>Exploring EZ Business Rate retention.</p>
Delays to the EU Funding Programme	<p>Engagement with Local Area Sub Committee and DCLG.</p> <p>Plan cash flow to prepare for a delay in projects starting.</p> <p>Add in other funding sources to programme (such as Interreg)</p>

These risks and mitigating controls are kept under review by the organisation to ensure they remain relevant and effective.

Corporate policies

OxLEP maintains a suite of corporate policies to define its operations and ensure that staff work in the interests of OxLEP and its stakeholders. The Finance and Audit Committee approved Financial Regulations which set out roles and responsibilities of staff with regards finance and governance, and includes those powers delegated from the Board. This document is reviewed and updated annually and is approved by Directors.

In addition to the Financial Regulations OxLEP has a staff handbook and Office Procedures which include guidance for staff on whistle-blowing, reporting grievances and accepting gifts and hospitality. Those staff seconded to OxLEP from the County Council are covered by their own policies and procedures which are equally as rigorous as those in place for the directly employed OxLEP staff.

While all staff are aware of the impact of fraud and corruption, OxLEP does not maintain a dedicated anti-fraud function due to the size of the organisation. Staff have been made aware that in the event of any concerns expert investigative support can be obtained through our accountable body, who have rights of access to all OxLEP records and reporting lines to the Finance and Audit Committee and the Board.

What is OxLEP going to do to improve its Corporate Governance in 2017/2018

To date OxLEP has concentrated on identifying and classifying its strategic risks to make sure these are being effectively mitigated. During 2017/2018 we will begin to review and classify the operational risks which impact on specific teams and project areas.

We will also be reviewing how we keep our stakeholders up to date on progress across our projects. Our new website will give us the ability to more effectively communicate the status of all our projects in a timely manner so interested parties can see the work being delivered and milestones for completion. Our Operating Plan will be subject to more rigorous review by the Programme Board and the status of projects will be more clearly communicated to stakeholders.

With the introduction of the GDPR in May 2018 OxLEP will be undertaking work to better understand the data we hold and how it is held in order to ensure we will be compliant when the new regulations come into force.

ⁱ Post in the process of recruitment at year-end.