

REPORT OF THE CORPORATE GOVERNANCE WORKING GROUP

**THE ANNUAL REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE
FRAMEWORK, INCLUDING THE SYSTEM OF INTERNAL CONTROL –
2021/2022**

INTRODUCTION AND CONTEXT

Appendix 1 has been drafted in response to the need to formerly define the Framework leading to the production of the Annual Governance Statement (AGS).

Appendix 2 details the assurance gathering process used to prepare the AGS.

Appendix 2a details an example of a Controls Assurance Statement

Appendix 3 details the extent to which the various sources of assurance contribute to the mitigation of risk.

Good practice suggests that a review of the effectiveness of the Governance Framework should be undertaken prior to producing the AGS

WORKING PAPERS

The review has been undertaken following consideration of a number of Supporting Papers:

- Annual Review of the Code of Corporate Governance (Supporting Paper 1)
- Progress against significant control issues contained within the 2020/21 AGS (Supporting Paper 2)
- Annual Audit Letter 2019/20 (Supporting Paper 3)
- Internal Audit Outturn Report 2021/22 and Performance against the UK Public Sector Internal Audit Standards (Supporting Paper 4)
- Other Sources of Assurance – Statutory Officers (Supporting Paper 5)
- Other Sources of Assurance – Miscellaneous including COVID 19 response (Supporting Paper 6)

OVERALL CONCLUSION

It is considered that all required components to demonstrate good governance are in place as are appropriate action plans. Sources of assurance have been clearly defined and are varied. Several action points have been identified during the review and have been incorporated into the action plan to be addressed in 2022/23.

SUPPORTING PAPER 1

ANNUAL REVIEW OF THE CODE OF CORPORATE GOVERNANCE

The annual review of corporate governance has been undertaken in accordance with the CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework 2016". Following an evaluation of the requirements within the updated framework a revised Code of Corporate Governance was presented to the Audit & Standards Committee at their meeting of 30th July 2020 which included a detailed action plan and approved. Since this date, the Code of Corporate Governance and action plan has continued to be reviewed and updated annually. The latest updated Code of Corporate Governance and subsequent action plan has been reported to the Audit & Standards Committee on 5th July 2022 and approved.

During February 2021 the Centre for Governance and Scrutiny published the results of its project focused on the early identification of risk around governance and the cultural aspects of good governance. The study produced a framework [Governance risk and resilience framework] that can sit alongside existing governance support material, in particular the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016) to assist in the understanding, reviewing, evaluating, and deciding upon governance improvements. Therefore, the Corporate Governance Working Group will explore the potential use of the framework during 2022/23 alongside its annual review of the Code of Corporate Governance work.

Attachments

Single Sheet Local Framework – (refreshed as part of the July 2022 Code of Corporate Governance update)

Code of Corporate Governance Action Plan 2021/22 - Progress Extract

Governance Framework - Principles, Statutory Obligations and Organisational Objectives

A-Behaving with Integrity and Adherence to Ethical Values and Respecting the Rule of Law
 B-Ensuring openness and comprehensive stakeholder engagement

Implementing
Local Vision

Taking Effective
Decisions

Working Together to
achieve a common
objective

Developing Members
and Officers

Adherence to
Ethical Values

Maintaining a
Community Focus

Corporate Governance comprises the systems and processes, cultures, and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities

Key Documents/Annual
Review/Production

Annual Outturn Performance and Finance Reports
 Annual Information Governance Report
 Corporate Information Security Policy
 Corporate Property Strategy
 Corporate Risk Register
 Delegations from/to Directors
 Business Plan
 Innovation & Efficiency Board
 ICT Strategy
 Medium Term Financial Strategy
 Members Allowances Scheme
 Prudential Code & Treasury Management Strategies
 Risk Management Policy
 Statement of Accounts
 Strategic Plan
 Staffordshire Strategic Partnership Priorities

Key Documents ~~Adhoc~~
Review/Production

Business Continuity Plans
 Change Management Framework
 Communications Strategy
 Community Engagement Framework
 Constitution
 Corporate Procurement Regulations
 Equality and Diversity Information
 Financial Regulations
 Health and Safety Policies
 Information Governance Framework
 Fraud, Bribery & Corruption Policy
 Internet Transparency Pages
 Member/Officer Relations
 Members' Code of Conduct
 Officer Employment Procedure Rules
 Officers' Code of Conduct
 Partnership Policy
 Performance Management Framework
 Record of Decisions
 Schemes of Delegation
 Whistle Blowing Policy

Contributory Processes/ Regularity
Monitoring

Annual Governance Statement
 Audit and Standards Committee
 Budgetary Accountability Statements
 Corporate Governance Working Group
 Corporate H&S process
 Corporate Intranet
 Schedule of Council Meetings
 Organisational Development
 Council Tax Leaflet / Information
 Staffordshire Web
 Customer Feedback Process
 County Treasurer
 Safer Recruitment
 Consultative Forums
 External Audit
 Finance Business Partners
 Go Training Platform
 H&S Champion
 Independent Remuneration Panel
 Inspectorate Reports
 Internal Audit
 Job descriptions
 Job evaluation process

Monitoring Officer
 WeTalk process
 Scrutiny Framework
 Staff Induction
 Staff Surveys
 Member training
 Law & Governance

CODE OF CORPORATE GOVERNANCE ACTION PLAN 2021/22- Updated for Progress

Action Point	SLT Lead	Progress (October 2022)
To progress the work on the 3 strategic place-based priorities further (Place Branding/5G/Data Institute) and explore two further key issues (climate change and inequalities)	<p>Responsible Officer: Kerry Dove, Assistant Director for Strategy & Transformation</p> <p>Implementation Date: 31st March 2022</p>	<p>“We Are Staffordshire” launched in 2020 and has governance in place to oversee delivery. Staffordshire Centre for Data Analytics proof of concept went live in 2021, with a governance structure in place. The 5G Growth Deal was submitted to central government.</p> <p>This action is now complete.</p>
To complete the generation of a comprehensive volunteer management strategy and framework.	<p>Responsible Officer: Interim Assistant Director for Culture Rural & Safer Communities</p> <p>Implementation Date: 31st March 2022</p>	<p>In relation to the previous year’s action, work was paused due to covid recovery, however, there is an action within the 2022/23 Communities Delivery Plan to complete the generation of a comprehensive volunteer management strategy and framework.</p> <p>Revised Implementation Date: 31st December 2022</p>
To consider the draft social value framework together with the 2 external social value assessment tools which are being assessed regarding adoption by the Council.	<p>Responsible Officer: Ian Turner, Assistant Director - Commercial Services and Assets</p> <p>Implementation Date: 30 September 2021</p>	<p>A trial has taken place with the TOMS framework. The contract has commenced and recording of social value outcomes is being monitored.</p> <p>Further procurements are being identified to further evaluate use of the TOMS framework.</p> <p>A report on the extent of roll out to be adopted by the organisation will be presented to the senior leadership team by December 2022.</p> <p>Revised Implementation Date: 31st December 2022</p>
To ensure ongoing greater visibility and ownership of the Corporate Risk Register, together with regular monitoring and updating of individual risk areas.	<p>Responsible Officer: Lisa Andrews, Head of Audit & Financial Services</p>	<p>During 2021/22, an integrated audit and risk management system was purchased and implemented and which is to be further rolled out during 2022/23. The integrated audit & risk</p>

Action Point	SLT Lead	Progress (October 2022)
	Implementation Date: Ongoing	<p>management system incorporates the corporate risk register which is intended to enhance the greater visibility, ownership and monitoring of risks across the Council's key business operations.</p> <p>On-going – Revised Implementation Date 31st March 2023.</p>
<p>The ongoing review the current HR policies in operation to ensure that they reflect the needs of the business.</p>	Responsible Officer: Sarah Getley, Assistant Director – People Implementation Date Next tranche to be completed by 31 March 2022.	<p>There is an ongoing review of the current HR policies in operation to ensure that they reflect the needs of the business. Second tranche implemented in June 2022.</p> <p>Ongoing – Revised Implementation Date: 31st March 2023</p>
<p>To refresh the risk management policy and strategy as part of the implementation of the Risk Management Module as part of the Audit Risk Management Software.</p>	Responsible Officer: Lisa Andrews, Head of Audit & Financial Services Implementation Date: 31 st December 2021.	<p>During 2021/22, an integrated audit and risk management system was purchased and implemented and is to be rolled out during 2022/23 which will incorporate the corporate risk register.</p> <p>The Council's Risk Management Policy and statement was drafted during 2021/22 by the Head of Internal Audit & Financial Services and requires final endorsement by the CGWG and SLT before approval by the Audit & Standards Committee.</p> <p>Revised Implementation Date: 31st March 2023.</p>

SUPPORTING PAPER 2

PROGRESS AGAINST SIGNIFICANT CONTROL ISSUES CONTAINED WITHIN THE 2020/21 AGS

It is a role of the Corporate Governance Working Group to ensure that action plans for those significant internal control issues reported in the AGS are both defined and implemented.

Review Reference	Governance Issue	Target Date	Progress as at October 2022
Annual Governance Statement 1	To continue to address the key concerns raised through the CQC/Ofsted report to ensure that the remaining governance elements within the SEND arrangements have been addressed as soon as possible.	Helen Riley – Director for Families & Communities ¹ March 2022	<p>The Accelerated Progress Plan (APP) was reviewed on the 29th September (6 month point). Almost all of the 24 actions have been achieved as set out for the 6 month mark and workstream leads are confident that progress towards the 9month objectives will be met. The two major workstreams, Revised EHCNA Pathway and Strategy for Special Provision Review are on track as set out in the APP. September 2022 saw a significant communications launch and consultation process also.</p> <p>The Council has until 20th April 2023 to address all actions.</p> <p>Status: Carried Forward as AGS 1</p>
Annual Governance Statement 2	Use the climate change strategic development framework in-conjunction with Partners in order to deliver on the commitments to make Staffordshire County Council sustainable and achieve net zero carbon emissions by 2050. The	Darryl Evers – Director for Economy, Infrastructure & Skills	The Council has a 5 year action plan to deliver its climate change strategic development framework, this is reviewed annually and signed off by Cabinet (via corporate scrutiny), alongside an Annual Review of Performance. Performance is

¹ Neelam Bhardwaja was appointed as Director for Children and Families from 20th June 2022

Review Reference	Governance Issue	Target Date	Progress as at October 2022
	framework and action plans will continue to be reviewed over this period.	Ongoing	<p>reviewed monthly via an officer steering group and Cabinet Member briefing, with a quarterly update through SLT/Cabinet via the corporate performance reporting process. Work with partners is managed through the Staffordshire Sustainability Board which was formally established on 19 January 2022 and reports into the Leaders Board, it is formally constituted with appropriate Cabinet Member representatives from the nine local authorities in Staffordshire. Through this group all Local Authorities have signed up to a vision and 10 commitments which went through SCC Cabinet on 15 June 2022.</p> <p>Status: Implemented</p>
Annual Governance Statement 3	To ensure the continued delivery of a balanced MTFS set against the financial challenges emerging from the COVID 19 crisis. Adherence to the CIPFA Financial Management Code will continue to be evaluated to ensure full compliance by the required 21/22 deadline. Matters highlighted in the action plan from the self-assessment to be implemented,	<p>Rob Salmon – County Treasurer</p> <p>Ongoing</p>	<p>The CIPFA Financial Management Code has been implemented in full with the matters highlighted in the action plan now implemented.</p> <p>Status: Implemented</p>
Annual Governance Statement 4	To conclude the Children’s operating system transformation project to fully implement the flexible and restorative practice model whilst developing services locally in-conjunction with partners.	Helen Riley – Director for Families & Communities March 2022	<p>The Transformation project was concluded in December 2021. We are now in the process of embedding the new structure and have recently completed our 6 month review of transformation, the findings of which was discussed at Scrutiny on 1st September 2022. Restorative practice continues to support all our work as the new structure and vision from transformation embeds. Whilst there is early assurance from audits and</p>

Review Reference	Governance Issue	Target Date	Progress as at October 2022
			<p>the Ofsted Focused visit held in May 2022 around the impact of our restorative approach within Children’s Social Care (CSC), this approach needs to be well established across the partnership. We are working with all our partners to continue to deliver training and provide support to ensure this approach become an integral part of our delivery as a partnership.</p> <p>Status: Implemented</p>
Annual Governance Statement 5	To monitor the arrangements surrounding the operation of the Staffordshire and Stoke on Trent Integrated Care Partnership to ensure that it facilitates relationships and generates new ideas to improve health and care outcomes and services. This will be covered as part of the work of the Health and Well-Being Board	Richard Harling – Director for Health & Care Ongoing	<p>The Staffordshire and Stoke on Trent ICB was established on 1st July 2022.</p> <p>An update was provided to the Health and Care Overview and Scrutiny committee on 11th July 2022</p> <p>The Integrated Care Partnership will be co-chaired by the Leaders of Staffordshire County Council and Stoke on Trent City Council and the ICB Chair. The ICB met for the first time in September 2022 and the operation of the partnership will continue to be closely monitored throughout 2022/23.</p> <p>Status: Carried Forward as AGS 2</p>
Annual Governance Statement 6	To remain vigilant against the potential failure of key providers/suppliers and to ensure that suitable business continuity arrangements are in place to deal with an event, should it occur.	John Tradewell – Deputy Chief Executive & Director for	This remains actively under review and, among other things, is considered at every meeting by the Corporate Governance Working Group.

Review Reference	Governance Issue	Target Date	Progress as at October 2022
	Attention will continue to be given to Social Care providers.	Corporate Services & Richard Harling – Director for Health & Care Ongoing	Status: Carried forward as AGS 3
Annual Governance Statement 7	To continue to monitor the cyber security risks and threats to the Councils ICT network to ensure they are sufficiently protected and secured. To undertake the work that is programmed to enhance cyber governance arrangements currently in place.	John Tradewell – Deputy Chief Executive & Director for Corporate Services Ongoing	This work continues to be a priority and is regularly on the agenda of the Council’s Senior Leadership Team for a review of the effectiveness of the Council’s arrangements. To this end, the Council continues to invest in appropriate people, processes and tools to combat security threats. Furthermore, the reorganisation of SICT in 2021/22 also created a focussed team that is responsible for ICT Security. Status: Carried forward as AGS 4
Annual Governance Statement 8	To undertake a further debrief review on the additional phases of the Council’s COVID 19 response in particular regarding the assumption made regarding community resilience; jointly conducted with the Civil Contingencies Unit.	John Henderson – Chief Executive and John Tradewell – Deputy Chief Executive & Director for Corporate Services	A thorough debrief on the Pandemic was taken to Cabinet on the 20th October 2021 in a report entitled “Impact of Covid-19 on SCC Communities, Economy and Organisation and Recovery Progress – Update October 2021 and Way Forward”. This paper detailed the high-level impacts which the COVID-19 pandemic has had upon our communities, the economy and the organisation. It recognised that recovery from the pandemic would not be a traditional recovery and that it would take an extended period of time.

Review Reference	Governance Issue	Target Date	Progress as at October 2022
		March 2022	<p>The paper described the high level priorities identified for recovery across the County Council and our continued progress against these; and it detailed our on-going approach to the leadership, influencing and monitoring of the recovery process moving forward. The paper was thorough and detailed and contained a number of appendices which encapsulated the learning across all of the Council's operations.</p> <p>Status: Implemented</p>
Annual Governance Statement 9	<p>To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses in governance arrangements are exposed by isolated events.</p> <p>In particular to the governance weaknesses identified within the Internal Audit Outturn regarding maintained schools.</p>	Chief Executive and Senior Leadership Team Ongoing	<p>During, 2021/22 Internal Audit continued to provide assurance over key risks relating to the Council's business operations and to report upon these to senior management and members. The 2021/22 Schools' compliance programme continued to identify areas of non-compliance and lapses in internal controls.</p> <p>As a result, the school's compliance programme will continue to be supplemented with (i) a programme of Continuous Controls Monitoring and (ii) more regular communications to schools throughout 2022/23 to raise awareness of best practice and counter fraud measures.</p> <p>Status: Carried forward as AGS 5</p>
Annual Governance 10	<p>To consider the Governance Risk and Resilience toolkit produced by the Centre for Governance and Scrutiny as to how it may assist the Council in its quest to ensure that it has early sight of the identification of risks around governance and</p>	John Tradewell – Deputy Chief Executive & Director for	<p>Arrangements are being put in place to raise the profile of key governance processes and arrangements within the Council to be rolled out in 2022/23.</p>

Review Reference	Governance Issue	Target Date	Progress as at October 2022
	a clear focus on the cultural aspects of good governance.	Corporate Services March 2022	<p>Since the beginning of 2022, the County Solicitor and Member & Democratic Services Manager have attended several Team Meetings to present an overview of the Council's governance and decision-making.</p> <p>October 2022 is being badged as 'Governance Month'. This will include heightened visibility on the homepage of the intranet as well as briefings to SLT / WLT / OMT and a focussed session on the Scheme of Delegation to Business Brief.</p> <p>The MaDS Manager will also work with the County Solicitor on reviewing the CfGS Toolkit and sharing with the 'golden triangle' of Statutory Officers.</p> <p>Status: Carried Forward as AGS 6</p>
Annual Governance 11	To complete the update and review of the arrangements for the production and review of the Risk Management Policy and Corporate Risk Register.	Rob Salmon – County Treasurer. December 2021	<p>An integrated audit and risk management system was purchased and implemented during 2021/22 and is to be rolled out during 2022/23 which will incorporate the corporate risk register. The Risk Management Policy and statement was drafted in during 2021/22 by the Head of Internal Audit & Financial Services and requires final endorsement by the CGWG and SLT before approval by the Audit & Standards Committee.</p> <p>Status: Carried Forward as AGS 7</p>
Annual Governance 12	To ensure that the recommendations contained in the Limited Assurance & special investigation internal audit reports raised in the HOIA opinion	Rob Salmon – County Treasurer. Ongoing	<p>During 2021/22, the Internal Audit service procured and implemented an integrated audit and risk management system which includes an on-line portal to record and track all audit</p>

Review Reference	Governance Issue	Target Date	Progress as at October 2022
	are fully implemented. This will be overseen by the Audit & Standards Committee through their recommendation tracking review		<p>recommendations made in-year which is accessed by auditees to add updates about the status of recommendations assigned to them. It is intended that the reporting functionality from the on-line recommendation portal will be developed during 2022/23 to enhance the management information being reported to senior management and members.</p> <p>Status: Carried Forward as AGS 8</p>

Conclusion

The review of actions detailed within the 2020/21 AGS has confirmed that whilst significant progress has been made, a number are long term in their nature and therefore for the purposes of the 2021/22 AGS key actions AGS 1, AGS 5, AGS 6, AGS 7, AGS 9, AGS 10, AGS 11 and AGS 12 should be carried forward.

SUPPORTING PAPER 3 **ANNUAL AUDIT LETTER 2019/20**

The Annual Audit Letter 2019/20 was submitted to the Audit and Standards Committee on 13 September 2021. The Audit Results report (ISA 260) was presented to the 8 December 2020 Audit and Standards Committee.

***In respect of the Annual Audit Letter 2020/21, an unqualified opinion from the External Auditor has been drafted on the financial statements for 2020/21 as well as for the Council's arrangements for securing economy, efficiency, and effectiveness pending some final audit work together with CIPFA guidance on fixed asset accounting. It should be noted, however, that at the time of writing this statement, the External Auditor opinion is in draft form and has not been finalised. ***

Below is the extract from the latest finalised Annual Audit Letter for 2019/20.

Extract from Annual Audit Letter

'Our 2019/20 audit work has been undertaken in accordance with the Audit Plan that we issued in July 2020'

Executive Summary

We are required to issue an annual audit letter to Staffordshire County Council (the Council) following completion of our audit procedures for the year ended 31 March 2020. Below are the results and conclusions on the significant areas of the audit process.

Area of Work

Opinion on the Council's:

► Financial statements

► Consistency of other information published with the financial statements

Conclusion

We issued an unqualified opinion on the County Council and Pension Fund financial statements on 30 April 2021. The audit was significantly protracted due to the unforeseen sickness absence of key members of the audit team. We conclude that the financial statements give a true and fair view of the financial position of the County Council and the Pension Fund as at 31 March 2020 and of its expenditure and income for the year then ended. Within the audit opinion we did include a paragraph to emphasise the disclosures made by the pension fund in respect of the material uncertainty reported on the valuation of its directly held property investments

Other information published with the Financial Statements was consistent with the Annual Accounts.

Concluding on the Council's arrangements for securing economy, efficiency, and effectiveness

As a result of our procedures, we conclude that a qualified 'except-for' conclusion with respect to your arrangements to secure economy, efficiency, and effectiveness in your use of resources is appropriate, specifically in relation to the SEND Written Statement of Actions.

Conclusion (from SCC perspective)

The Extract from the Annual Audit Letter provides an unqualified opinion for financial statements of 2019/20. A 'qualified except for' conclusion was given in relation to the 2019/20 opinion over the Council's arrangements for securing economy, efficiency, and effectiveness in the use of resources, specifically in relation to the SEND Written Statement of Actions.

****An unqualified opinion from the External Auditor has been drafted on the financial statements for 2020/21 as well as for the Council's arrangements for securing economy, efficiency, and effectiveness pending some final audit work together with CIPFA guidance on fixed asset accounting. ****

SUPPORTING PAPER 4

INTERNAL AUDIT OUTTURN REPORT 2021/22 AND PERFORMANCE AGAINST THE UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The overall conclusion taken from the Outturn report states:

Based on the above, an "Adequate Assurance" opinion has been given on the overall adequacy and effectiveness of the organisation's governance, risk, and control framework, i.e the control environment in 2021/22.

This year's audit plan has been dominated firstly by our planned audit activities supporting various Council transformation programmes including the highways transformation programme, the digital transformation programme and associated new IT systems as well as the new service delivery model for the household waste recycling centres and changes to the Entrust contract. Our work in these areas focussed on ensuring that sufficient controls including fraud controls are considered and built into new and revised business processes at the right time to support a robust control environment going forward. Our work in 2022/23 will turn our attention to the new arrangements operating within Children's services following their transformation programme and also the social care reforms being introduced within the health and care arena. Secondly, during 2021/22, Internal Audit has continued to support the Council's on-going COVID 19 response predominantly focusing on COVID 19 grant verification exercises and post assurance checks to provide assurance that funding had been accurately accounted for and had been used appropriately. No significant concerns were noted. This work in these areas will continue in 2022/23.

Emphasis on strong financial management continued in 2021/22 with a full audit programme of main financial systems conducted and our audit work in-year did not highlight any concerns with all audits awarded a positive assurance opinion with no high level recommendations made. Whilst the level of debt outstanding continued to increase during the 2021/22 financial year, the latest audit review of the Council's debt recovery arrangements identified that significant improvements have been made in the Council's debt recovery processes which has been due, in part to, increasing capacity within the service, a review and documentation of key processes and a focus on improved management reporting.

However, the 2021/22 Schools' compliance programme has continued to identify areas of non-compliance and lapses in internal controls with limited assurance audit opinions being awarded for fourteen school establishments representing a significant increase from previous years. Also, control weaknesses relating to payroll processes operating at schools have continued to be identified during 2021/22. As a result of these audit outcomes, in-year we commenced a continuous controls monitoring (CCM) programme specific to schools to give greater assurance over transactions and where compliance visits highlighted concerns, further investigations were instigated. It is our intention to continue to raise awareness of best practice and counter fraud measures with more regular communications to schools throughout 2022/23. Our school visits will also continue to be supplemented by a programme of CCM that will provide assurance over a greater volume of transactions across all Staffordshire Schools in 2022/23, the findings of which will feature in our communications with schools to reinforce lessons learnt throughout the year.

Finally, despite the increase in the value of financial losses (fraud/error) identified in 2021/22 when compared to previous years, the number of limited assurance opinions awarded across the planned system reviews has reduced considerably from eleven in 2020/21 to four in 2021/22 with no limited assurance opinions being awarded in either the top risk or the key financial systems categories of work. Notably, the financial losses value reported in our annual outturn report predominantly relates to our own initiated proactive exercises using Council data effectively to detect anomalies for further investigation (anomalies in 2021/22 were considered error rather than fraud). We will continue to use data analytical tools to enhance the assurance and insights provided to senior management across all business operations during 2022/23.

SUPPORTING PAPER 5

OTHER SOURCES OF ASSURANCE - STATUTORY OFFICERS

The Chief Finance Officer (County Treasurer)/Context

Any major organisation requires a set of clearly understood rules and regulations for the management of its financial affairs. In response to the requirements of Section 151 of the Local Government Act 1972, the County Council has designated the Chief Finance Officer to be responsible for the administration of these affairs.

In response to the requirements of Section 25 of the Local Government Act 2003, the Chief Finance Officer has a duty to report to the Authority on:

- the adequacy of the proposed reserves
- the robustness of the budget

In response to Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer has a duty to report to the Council if the Authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Council's accounts

In addition, the Chief Finance Officer is required to make a report under Section 114 if it appears that the expenditure incurred and/or proposed in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

The Monitoring Officer/Context

The role of the Monitoring Officer is a statutory one, the office having been created under Section 5 of the Local Government and Housing Act 1989. Every Local Authority must have a Monitoring Officer and since 2001 that office cannot be held by the person who is the head of that Authority's paid service, nor by the Section 151 Officer, though there are no other formal qualification requirements.

If it at any time appears to (the Monitoring Officer) him that any proposal, decision or omission

- by the Authority;

- by any Committee or Sub-committee of the Authority;
- by any person holding any office or employment under the Authority;
- by any Joint Committee on which the Authority are represented, or;
- in the course of the discharge of functions of the Authority by or on behalf of the Authority's Executive.

constitutes, has given rise to or is likely to or would give rise to –

- a contravention of any enactment or rule of law by the Authority, by any Committee or Sub-committee of the Authority, by any person holding any office or employment under the Authority, by any such Joint Committee, or by the Authority's Executive or any person on behalf of the Executive, or
- any such maladministration or injustice as is mentioned in Part 3 of the Local Government Act 1974 where the Ombudsman has conducted an investigation;

then the Monitoring Officer is required to prepare a report to the Authority's Executive (if it relates to executive functions), or in all other cases to the Authority, with respect to that proposal, decision or omission, and in doing so is required to consult so far as practicable with the Authority's Head of Paid Service and their Chief Finance Officer.

Conclusion

Neither the Monitoring Officer nor the Chief Finance Officer has had occasion to use their statutory powers of intervention in 2021/22.

SUPPORTING PAPER 6

OTHER SOURCES OF ASSURANCE – MISCELLANEOUS

SECTION A SCRUTINY & OVERVIEW COMMITTEES

We have effective processes in place. We have four Overview & Scrutiny Committees, the responsibilities of which reflect our focus on key outcomes. We make sure Cabinet Members are held accountable for their actions and we give members an opportunity to assess the impact of the Council's work in their local area. We will continue to develop these initiatives. An annual report is produced each July and submitted to Corporate Overview & Scrutiny Committee and then Full Council. The report for 2021/22 was considered at the Overview and Scrutiny Chairs/Vice Chairs Forum on 6 June 2022 and subsequently signed off by the Chairman of Corporate Overview and Scrutiny committee and submitted to Full Council on 21 July 2022. Currently, no significant governance issues have been highlighted to date.

The Integrated Performance Report is produced quarterly and presented to Cabinet. This provides an overview of progress, performance, and financial position in delivery against the Council's Strategic and Delivery Plans. The latest report to Cabinet in July 2022 provides a summary update on the Council's performance and financial position. Whilst the report identified that significant progress had been made across the organisation during Quarter 1, inflationary pressures across the organisation are having a significant impact. Also, this latest report highlighted that workforce capacity and recruitment, and demand challenges remain, particularly within Health and Care and Families and Communities and that there continues to be areas of financial risk in Adult Social Care and Families and Communities, The forecast financial outturn is for an overspend.

SECTION B CORPORATE DIRECTORS/RISK OWNERS

Assurance Statements are in the process of being re considered as part of the review of our Risk Management processes (see below). In the interim, Statements continue to be completed for the Corporate Governance risk heading. The Assurance Statement is reproduced at **Appendix 2a**.

SECTION C CORPORATE RISK MANAGEMENT /STRATEGIC RISK REGISTER

The arrangements for the production of the Corporate Risk Register are currently being amended. As part of the Audit & Risk Management software upgrade, the risk management module was configured and went live in September 2021. The roll-out of the new system commenced in November 2021 and this will continue throughout 2022/23. This will provide a digital solution for the production of the corporate risk register and replace the current manual process managed via various excel spreadsheets. Nominated risk owners will be responsible for the completion and update of their service

risk register which will feed directly into the strategic risk register on a continuous basis. This development will increase the level and frequency of reporting and scrutiny.

The Audit and Standards Committee has received ongoing updates regarding significant risks during 2021/22 most notably relating to purchase card cash withdrawals; school transport contractors; cyber risks and the SEND service.

The One Staffordshire Information Sharing Agreement protocol is in place to ensure sharing information with partners is done in a transparent, consistent, and compliant way.

SECTION D EXTERNAL REVIEWS/INSPECTIONS

Two further Ofsted inspections have taken place since our Children's Services 'Good' rating back in February 2019 namely:

- (a) Local Area SEND Inspection - In January 2022, Ofsted and the Care Quality Commission (CQC) revisited the area of Staffordshire to decide whether sufficient progress had been made in addressing each of the areas of significant weakness detailed in the initial SEND inspection report letter published on 8 January 2019. The joint inspection concluded that sufficient progress had been made in addressing six of the eight significant weaknesses identified at the initial inspection. However, further improvement was required relating to (i) improving co-production, particularly with parents; and (ii) improving the quality of EHC Plans. Consequently, an Accelerated Progress Plan (APP) has been developed to demonstrate capability and capacity to deliver the required improvements. Delivery of the APP is overseen by the SEND and Inclusion Partnership Group and is subject of 6 monthly monitoring and review meetings accompanied by ongoing challenge and support from the national SEND and NHS England Advisers; and
- (b) Children's Services Focused Visit - In May 2022, a focused visit was undertaken of Staffordshire's Children's Services which looked at our arrangements for children subject to child in need and child protection planning. The inspection confirmed that assessments and plans were mostly effective in improving outcomes for children and that Leaders have led the workforce effectively through a structural transformation of services, with a focus on consistent relationships between social workers and children. Four areas for improvement were identified relating to (i) the quality of case supervision records; (ii) timely recording; (iii) the effectiveness of the audit process, to improve outcomes for children; and

(iv) the need to ensure that accurate performance data is used effectively, to improve social work practice.

Previously, the External Auditor has qualified the Council's financial accounts 2019/20 value for money opinion on an 'except for basis' in regard to the SEND Written Statement of Actions. An unqualified value for money conclusion has been issued by the External Auditor for 2020/21 albeit it is currently in draft form.

During 2021/22, a number of reports from Internal Audit (both 20/21 & 21/22 audits) have been reviewed by the Audit & Standards Committee in relation to the SEND service. In order to obtain assurance that the recommendations have been fully implemented, Members have received regular updates regarding the progress of their implementation from the Assistant Director for Education Strategy and Improvement. Remaining actions outstanding have been incorporated into the APP which will be reported to the Audit & Standards Committee in due course.

As set out in the 2019-20 Annual Performance Review Guidance (November 2019), following the Annual Performance Review meeting, officials in the Cities and Local Growth Unit undertook a review to look at the performance of each LEP across the three themes: governance, delivery, and strategic impact. The outcome for each theme has been confirmed as follows: Governance: - Good, Delivery: - Good and Strategic Impact: - Requirements Met. This exercise has not been repeated by the Cities and Local Growth Unit in 2021/22. No governance issues have been raised as part of the SSLEP Annual Report 2021-22.

During 2021/22, Internal Audit have undertaken their own annual review of the SSLEP's governance arrangements for compliance against the National Local Growth Assurance Framework and a substantial assurance opinion was awarded. In addition, Internal Audit have also undertaken a review regarding the usage of the Core Funding Grant for the SSLEP and did not identify any significant weaknesses.

SECTION E STANDARDS / OMBUDSMAN REPORTS

Our Audit and Standards Committee received an Annual Report in July 2021 (covering the period October 2020 to May 2021) on the management of elected member related complaints. No significant matters were identified. A further report by the Deputy Chief Executive & Director for Corporate Services was presented to the Audit & Standards Committee on 5th July 2022 covering the period June 2021 to June 2022. 11 complaints were received and concluded. For this reporting period there was no underlying theme to the nature of complaints other than the fact that many relate to one to one dealings which a member has had with a constituent. It was noted that previously common themes, including the use of social media, did not feature

highly in the latest annual report. For all 11 complaints, it was concluded that there was no breach of the Code of Conduct.

The LGSCO Annual Review Letter for 2021 was received on 21 July 2021 and there were no major matters from a Formal Report perspective but reference to undertaking remedies in a timely manner was highlighted. The latest LGSCO Annual Review Letter for 2022 was received by the Council on 20th July 2022 and was considered by the Corporate Overview and Scrutiny Committee at its meeting held on 25th October 2022. Like previous years, comment has been made again relating to the failure to complete remedies within agreed timescales. In addition, a comment has also been made relating to the Council's late responses to Ombudsman investigation enquiries. In response, it should be noted that there may be circumstances where individuals fail to respond to the Council to facilitate a timely response. In relation to the Council's LGSCO complaint statistics, of the 115 decisions (complaints) by the Ombudsman, less than half (40%) progressed to a detailed investigation. Of these detailed investigations (46 cases) carried out for the period 1st April 2021 – 31st March 2022, 67% of these decisions were upheld which is lower (better) than the national average of 71%. Furthermore, in all cases, the LGSCO were satisfied the Council had successfully implemented their recommendations.

Several whistleblowing issues have been considered by the Monitoring Officer (3 in 2021/22 and 2 subsequent, to the production of the AGS) and where appropriate are considered by the Corporate Governance Working Group in year.

During 2021/22, internal audit reviews of both Subject Access Requests and the Freedom of Information process including the Public Interest Test Arrangements were carried out and positive assurance given to both areas of operation.

In December 2021, eight Members of the Audit & Standards Committee were invited to form a Members-led working group to review and make recommendations to full Council, on the main body of the County Council's Constitution to better reflect current needs and practices. The working group met in January 2022 and the outcome of their review was reported back to the Audit & Standards Committee in February 2022. Various amendments to the Council's Constitution were considered and recommended which were subsequently approved by Full Council at its meeting held on 17th March 2022.

Following the completion of the above review in early 2022, focus then turned to improving awareness and understanding of the Scheme of Delegation (SoD) as well as to address audit recommendations previously made relating to the SoD. The review of the SoD commenced in April 2022 and was completed in June 2022. The outcome of this review was to (i) transfer the sub-Scheme of Delegation to the dedicated Decision-Making pages on Staff Space (Intranet); (ii) produce a new 'single source' Scheme of Delegations; and (iii) introduce a new easy to follow process and proforma with a clearly defined pathway for changes / additions to the SoD.

SECTION F – CONTINUED COVID 19 RESPONSE

The Local Code of Corporate Governance was reviewed in 2021 and 2022 in accordance with the normal timescales and was endorsed by the Corporate Governance Working Group.

In March 2020 the Country experienced a worldwide pandemic from the Coronavirus which created significant challenges for the County Council. As a result, a number of changes were made to the governance arrangements supporting the decision-making process which have now come to an end.

The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 remained in force for the production of the 2019/20 financial accounts only which extended the reporting deadline to of the accounts to 30th November 2020.

The Local Authorities & Police and Crime Panels (Coronavirus) Flexibility of Local Authority & Police and Crime Panel Meetings (England & Wales) Regulations 2020 expired on 6th May 2021 and were not capable of being extended. Since then, Committee meetings with voting members of the Council have reverted to taking place in a “physical” format.

In addition, the delegation of authority to issue Directions under the Health Protection (Coronavirus, Restrictions) (England) (No. 3) Regulations 2020 which had been approved by Cabinet at its 19th August 2020 meeting and which had been extended several times, was revoked on 24th February 2022.

The only continued impact of the Coronavirus is on the governance arrangements for School Admission Appeals. In April 2020, temporary regulations came into force, to give admission authorities, local authorities and appeal panels some additional flexibility when dealing with appeals during the COVID-19 pandemic. The temporary regulations known as the School Admissions (England) (Coronavirus) (Appeals Arrangements) (Amendment) Regulations came into force on 24th April 2020 have since been extended until 30th September 2022.

Throughout 2021/22, Cabinet received and considered regular updates from the COVID-19 Member Led Local Outbreak Control Board.

There has been no reduction in the scope of the work of Internal Audit during 2021/22 and therefore sufficient work has been performed to support the production of the Head of Audit annual opinion on the adequacy and effectiveness of the framework of governance, risk management and control.

As previously reported, 2020/21 was a shadow year for the implementation of the CIPFA Financial Management Code and a high-level self-assessment review was performed during 2020/21 to assess the extent to which the Council's financial management arrangements complied with the FM Code. This review confirmed that whilst there was a high level of conformance with requirements, an action plan was prepared which identified 3 areas for improvement namely:

- Developing standard option appraisal documentation for use in business cases
- SLT needing to monitor the elements on the balance sheet which are a risk to financial sustainability
- The need to carry out a credible financial resilience assessment.

The above improvements have been implemented during 2021/22, as appropriate and there is full compliance with the Code. Compliance will continue to be monitored and updated as required.

During 2021/22, the Internal Audit Service has continued to support the Council's response to the COVID 19 pandemic, undertaking various grant verification exercises relating to infection control grant funding, COVID 19 workforce grant funding and the coronavirus schools fund (exceptional costs) grant funding to name but a few to ensure that COVID 19 funding had been spent by third parties as intended. Other specific audit work connected to the COVID 19 pandemic included the new contact tracing system and the Additional Restrictions Grant (ARG) programme which was conducted during the 2021/22 year.

In addition to the above, other additional COVID 19 work has been undertaken by Internal Audit (reported in 2021/22) as follows:

- In 2020/21, the Internal Audit Team was requested to provide assurance that decisions made regarding the use of additional funding provided in 2020/21 from Central Government, to deal with the challenges presented by the Covid-19 pandemic were appropriate, transparent and in-line with the Council's corporate decision - making processes.

Overall, testing and review of key documentation confirmed that decision making regarding the use of funding was compliant with SCC corporate decision-making processes. Decisions, in general, were well documented and services ensured that SLT and Cabinet were kept updated regarding various COVID 19 activities. The Assistant County Treasurer & Deputy S.151 officer received weekly updates regarding spend of COVID 19 monies and these were reported regularly to the MHCLG.

Regarding the adequacy of records and audit trails maintained relating to decisions regarding funding, based upon testing, Internal Audit awarded a '*substantial assurance*' over the systems in place to record decision making. However, testing did identify seven decisions where improvements could be made.

In relation to the monitoring and reporting arrangements, our review confirmed that there was sufficient scrutiny of COVID 19 grant expenditure during 2020/21 via SLT, Cabinet and MHCLG reporting.

- Following on from the above, in 2021/22, two further audit reviews were requested by senior management and carried out in-year, namely:
 1. Delivering Good Governance – Corporate Decision Making Arrangements; and
 2. COVID 19 – Procurement Activities.

In respect of the Delivering Good Governance – Corporate Decision Making Arrangements audit review, the purpose of this audit was to review compliance with the Council's corporate decision-making arrangements. The audit reviewed both Key Decisions taken by Cabinet and Delegated Decisions taken by Cabinet Members and Executive Officers. In addition, the audit reviewed processes in place for the appropriate completion of Community Impact Assessments (CIAs). Internal Audit's testing confirmed for a sample of Key Decisions, Cabinet Member Delegated Decisions and Executive Officer Delegated Decisions that all had been taken in full compliance with the Council's corporate decision making arrangements and that the decisions made had been sufficiently recorded.

As a result, a '*substantial*' assurance opinion was also awarded in relation to the system and application of controls.

- Following Internal Audit's work on the decision making arrangements for the use of COVID grant monies in 2020/21, a further exercise was undertaken in 2021/22 to review the procurement activities conducted in relation to COVID 19 expenditure. Overall, audit testing and a review of key documentation has confirmed that the procurement approach for the expenditure sampled was reasonable and that where a call off from an existing contract or a direct award exception to Procurement Regulations had been obtained, compliance with the required processes were confirmed. However, due to the urgency with which decisions had to be made, it has been acknowledged that value for money may not have been achieved in all instances.

Overall, an '*adequate*' assurance opinion was awarded in relation to Covid 19 procurement activities including PPE stock management and lessons learnt. However, some improvements were required and recommendations were made relating to:

- The transparency of the contact award decisions being made;
- The transparency around the recording of conflicts of interest prior to a procurement;
- The need to involve the Procurement Team/Legal Services early in the procurement process;

- The need to improve processes where an exception to the Procurement Regulations was required i.e. undertake the appropriate finance/insurance checks and the need to ensure that exceptions are approved by an appropriate officer.

Conclusions

Section A

- **An effective system of scrutiny is in place.**

Section B

- **Our system of controls assurance is currently being reviewed and updated.**

Section C

- **The overall arrangements for the production and updating of the Corporate Risk Register changed wef 1st October 2021 and the new arrangements are currently being implemented and embedded.**

Section D

- **Our Children's Services are rated 'Good' by Ofsted (2019).**
- **The revisit of the local area SEND services by Ofsted and CQC in January 2022 concluded that sufficient progress had been made in addressing six of the eight significant weaknesses identified during the initial inspection in January 2019.**
- **An accelerated progress Plan (APP) has been developed to deliver the remaining improvements which is overseen by the SEND and Inclusion Partnership Group and subject to six-monthly monitoring and review meetings.**
- **The Children's Services Focused Visit in May 2022 gave positive feedback and concluded that assessments and plans were mostly effective in improving outcomes for children and that Leaders have led the workforce effectively through a structural transformation of services. Four areas for improvement were, however, identified which are being taken forward by the Service**
- **As part of the final accounts process for 2020/21 the External Auditor has issued an unqualified opinion albeit it in draft form.**

Section E

- **The Audit and Standards Committee received the Annual Reports on the management of elected member related complaints. No major issues reported.**
- **A few whistleblowing issues (3 related to 2021/22 and 2 have subsequently been received in 2022/23) have been /are being considered by the Monitoring Officer and will be considered by the Corporate Governance Working Group in due course, where appropriate.**

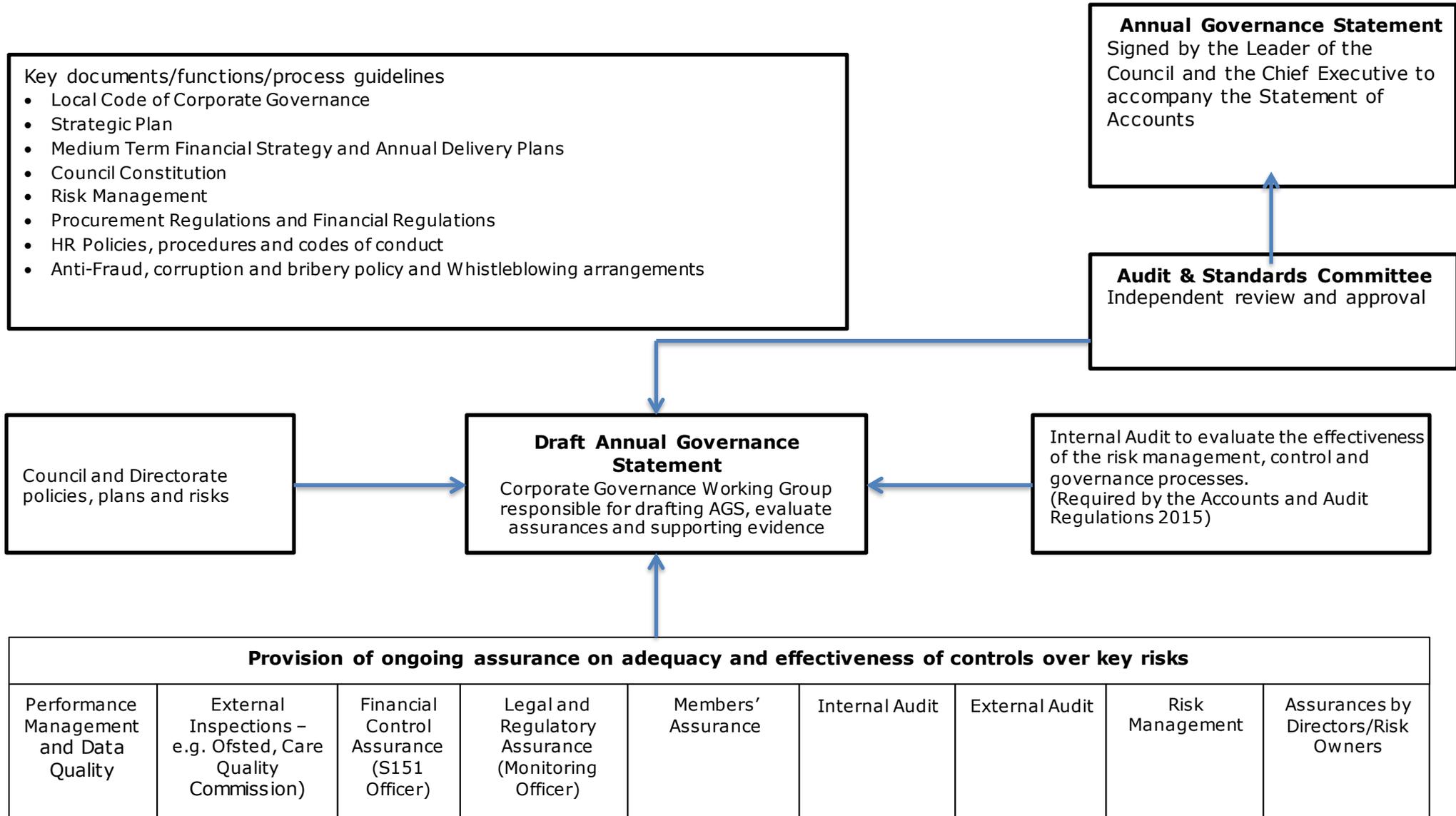
- **The 2021/22 Information Governance Annual Report provided assurance regarding compliance with the Data protection Act 2018 and GDPR Freedom of Information Act 2000, Environmental Information Regulations 2004 and the Local Government Transparency Code 2014. This report was presented to the Audit & Standards Committee in April 2022.**
- **The latest LGSCO Annual review letter 2022 again highlighted the need to ensure that remedies are completed within the required timescales and also raised concern over late responses to investigation enquiries.**

Section F

- **Only one governance change remains as a result of the COVID 19 pandemic and this expires at the end of September 2022.**
- **There were no limitations in scope of the Head of Internal Audit annual opinion and the Code of Corporate Governance was refreshed in accordance with the standard timetable.**
- **Additional sources of assurance were received from Internal Audit regarding the decision-making process for COVID 19 related monies and COVID 19 procurement activities as well as for the general corporate decision making arrangements of the Council.**
- **Internal Audit has continued to support the Council's response to the COVID 19 pandemic during 2021/22, undertaking various grant verification exercises and other assurance reviews relating to the Council's COVID 19 response and recovery activities.**

THE ANNUAL GOVERNANCE STATEMENT - FRAMEWORK

APPENDIX 1



APPENDIX 2

THE AGS – ASSURANCE GATHERING PROCESS

Stage 1 – Establish principal statutory obligations and organisational objectives

The Strategic Plan is underpinned by three interconnected priority outcomes providing a simple and clear focus.

The people of Staffordshire will:

- Have access more good jobs and share the benefits of economic growth
- Be healthier and more independent for longer
- Feel safer, happier and more supported in and by their community

The associated Delivery Plan defines a set of Commissioning Priorities which are consistent with these outcomes.

Stage 2 – Identify principal risks to achieving Commissioning Priorities

The Corporate Risk Register currently comprises 14 risk categories. As part of the new risk management system, risks will be cross-referenced to our Strategic Plan.

Stage 3 - Identify and evaluate key controls to manage principal risks

The Corporate Risk Register currently defines key controls (documents and processes) for each specific risk area. Each control is evaluated. Controls will be cross reference to the Audit Universe and evaluated through that process to ensure that they are effective.

Stage 4 – Obtain assurances on effectiveness of key controls

As defined within Appendix 1 to this report and Section 11 of the AGS.

Stage 5 – Evaluate assurances and identify gaps in control / assurances

As defined within Appendix 3 to this report and Section 11 of the AGS.

Stage 6 – Action Plan to address weaknesses and ensure continuous improvement of the system of corporate governance

As defined within the Code of Corporate Governance Action Plans and Section 14 of the AGS.

Stage 7 – Annual Governance Statement

As considered by the Corporate Governance Working Group.

Stage 8 – Report to Members

As considered by the Audit and Standards Committee.

APPENDIX 2A

EXAMPLE OF A CONTROLS ASSURANCE STATEMENT

CORPORATE GOVERNANCE

Risk Details

Risk Description	Failure to maintain effective corporate governance arrangements resulting in a breakdown in internal controls, the non-achievement of objectives and loss of reputation
Risk Owner	Deputy Chief Executive & Director for Corporate Services – John Tradewell
Associated Risk Owners	Corporate Governance Working Group
Sources of Assurance	Risk Owner and Associated Risk Owners, plus Internal and External Audit

Key Controls and Processes

Annual Governance Statement	Customer Feedback Process	Members Code of Conduct
Business Continuity Framework	Delegations to/from Directors & Sub Schemes of Delegation	Officers Code of Conduct
Code of Corporate Governance	Fraud, Bribery and Corruption Policy including the Integrity Policy Statement	Record of Decisions
Committees (Overview & Scrutiny /Audit and Standards)	Member/Officer Relations	Risk Management Policy Statement
Constitution	Member Training	Schedule of Council Meetings
Corporate Risk Register	Members Allowances Scheme	Whistle Blowing Policy

Controls Assurance**

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
Annual Governance Statement	Annual Governance Statement	Corporate Governance Working Group Audit and Standards Committee Review Monitoring Officer County Treasurer Head of Paid Service	3
Business Continuity Framework	Staffordshire Prepared Website Business Continuity Website	Testing of Business Continuity Plans Corporate Governance Working Group Staffordshire Civil Contingencies Unit	2

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
	<p>SCC Shared drive for Civil Contingencies</p> <p>Defined Work Programme approved</p>	<p>Staffordshire Resilience Forum</p> <p>Exercise Aurora</p>	
Code of Corporate Governance	<p>Code of Corporate Governance</p> <p>Annual Action Plan</p> <p>Internal Audit Review in 19/20 resulting in Substantial Assurance</p>	<p>Audit and Standards Committee Assessment</p> <p>Corporate Governance Working Group</p> <p>Monitoring Officer</p> <p>County Treasurer</p> <p>Head of Paid Service</p>	3
Committees	<p>Overview & Scrutiny Committees</p> <p>Audit and Standards Committee</p>	<p><u>Scrutiny (Select) Committee</u></p> <p>Examples of effective scrutiny include Integration and the work on the Budget</p> <p><u>Audit and Standards Committee</u></p> <p>Delivery of training</p> <p>Review of the effectiveness of the Audit & Standards Committee periodically undertaken with each Committee refresh.</p>	<p>3</p> <p>3</p>
Constitution	Constitution	<p>Reviews overseen by the Audit and Standards Committee</p> <p>Corporate Services resource</p> <p>Monitoring Officer</p>	2
Corporate Risk Register	Corporate Risk Register	<p>Audit and Standards Committee -</p> <p>Corporate Risk Register – Senior Leadership Team</p> <p>Corporate Governance Working Group</p> <p>Risk Management Software</p>	2

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
Customer Feedback Process	<u>See</u> Risk Category 1	<u>See</u> Risk Category 1	
Delegations to/from Directors	Delegations to Directors Delegations from Directors Corporate Governance Action Plan	Delegations to Directors Review of Delegations to Directors Review of sub delegation schemes	2
Integrity Policy Statement	Integrity Policy	Development of E-Learning Fraud Awareness Tool Anti -Fraud, Bribery & Corruption Policy	2
Member / Officer Relations	Member / Officer Relations	Member/Officer protocol Strategic Delivery Managers 'Buddy' support system with nominated Democratic Services officers Monitoring Officer	3
Member Training	Member Training	Municipal Journal Councillor Development Achievement Award (Former Winners) Member Induction Process Regular Training Events	3
Members Allowances Scheme	Members Allowances Scheme	Internal Audit Report Independent Remuneration Panel	3
Members Code of Conduct	Members Code of Conduct	Overseen by Audit and Standards Committee Member investigations by Audit and Standards Committee – where appropriate Member Training Monitoring Officer	3
Officers Code of Conduct	Officers' Code of Conduct	Annual Declaration of Interests Confidentiality Letters Procurement – declaration forms	2

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
Record of Decisions	Record of Decisions	Corporate Services resource	3
Risk Management Policy Statement	Risk Management Policy Statement	Corporate Risk Management Leads Corporate Governance Working Group Embedding of risk management in Transformation process	1 (By virtue of need to revise and update the Statement and accountabilities)
Schedule of Council Meetings	Schedule of Council Meetings	Corporate Services resource	3
Whistle Blowing Policy	Whistle Blowing Policy	Regular review by CGWG	2

****Key**

Key Control	Key documents and process identified within a specific risk category that are in place or required to be put in place in order to contain the risk to an acceptable level.
Evidence of Control	Name of a document or a process / procedure that governs the identified control.
Sources of Assurance (if available)	E.g. Internal / External Audit inspections, Audit & Standards Committee, Cabinet, Scrutiny Panels, Internal Reviews, Control Self-assessment.
Control Rating	<p>1 (Limited) – The stated control requires major revision and/or there is little evidence of the effectiveness of the control framework.</p> <p>2 (Adequate) – The stated control requires only minor revision and/or the effectiveness of the control framework can be partly evidenced by reference to Sources of Assurance.</p> <p>3 (Substantial) – The stated control has been in place all year and does not require revision. The effectiveness of the control framework can be substantially evidenced by reference to Sources of Assurance.</p>

Annual Governance Statement

"Following consultation (where appropriate with Directorates) in terms of Control Rating, I am satisfied that, in relation to the Corporate Governance Strategic Risk Category, the stated level of compliance against required standards gives a true and fair view of the control frameworks in place. Where any Control Rating is assessed as "Limited" an appropriate Action Plan will be defined and implemented during 2022/23."



John Tradewell
Deputy Chief Executive & Director for Corporate Services
Date: 26th October 2022

APPENDIX 3

The AGS – SOURCES OF ASSESSMENT - COVERAGE

Risk Ref	Risk Category	Risk	Scrutiny	Internal Audit	External Agencies	Director / Risk Owner	Statutory Officers
1	Planning and Performance	Failure to establish and communicate clear plans and objectives and monitor performance	✓	✓	✓	✓	
2	Service Delivery	Failure to maintain day to day service provision	✓	✓	✓	✓	✓
3	Corporate Governance	Failure to maintain effective corporate governance arrangements	✓	✓	✓	✓	✓
4	Human Resources	Failure to resource safely, effectively and efficiently – manage the implications of a reducing headcount – handle poor performance	✓	✓		✓	✓
5	Organisational Development	Failure to ensure the workforce has the appropriate knowledge and skill set	✓	✓		✓	
6	Health and Safety	Failure to protect staff / third parties from injury	✓	✓	✓	✓	✓
7	Procurement	Failure of ensure the procurement process provides best value	✓	✓		✓	✓
8	Law and Democracy and Information Governance	Failure to comply with key legislation or legal requirements	✓	✓	✓	✓	✓

9/10	Financial Management	Failure to provide sufficient finance to enable the Council to meet its objectives and ensure income and expenditure is contained within the budget and is properly accounted for	✓	✓	✓	✓	✓
11	Change Management	Failure to manage corporate projects and organisational change	✓	✓	✓	✓	
12	Information Management	Failure to transform services throughout Staffordshire by the innovative use of ICT	✓	✓	✓	✓	
13	Property	Failure to provide, protect and maintain property that will deliver a suitable and safe working environment for staff and visitors	✓	✓	✓	✓	
14	Business Continuity	Failure to maintain service delivery in the event of major disruption	✓	✓	✓	✓	

Notes:

- (1) Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes (UK

Public Sector Internal Audit Standards and CIPFA Local Government Application Note).

- (2) External audit evaluate significant financial systems, and the associated internal financial controls, for the purpose of giving an opinion on the financial statements. Where external audit identify any weaknesses in such systems, external audit will draw them to the attention of the Council, but external audit cannot be expected to identify all weaknesses that exist. External audit are not responsible for forming an opinion on the adequacy of systems of internal control and were appointed by Public Sector Auditor Appointments (PSAA).