

REPORT OF THE CORPORATE GOVERNANCE WORKING GROUP

**THE ANNUAL REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE
FRAMEWORK, INCLUDING THE SYSTEM OF INTERNAL CONTROL –
2022/2023**

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 2021/22 AGS (Supporting Paper 2)
- Annual Audit Letter 2019/20 (Supporting Paper 3)
- Internal Audit Outturn Report 2022/23 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 2023/24.

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 11th July 2023 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. During 2022/23 the framework has been considered by the Statutory Officers Group established in 2022 to evaluate the governance arrangements. The results of this review will be considered by the Corporate Governance Working Group as part of its annual evaluation of the Governance Framework moving forward.

Attachments

Single Sheet Local Framework – (refreshed as part of the July 2023 Code of Corporate Governance update)

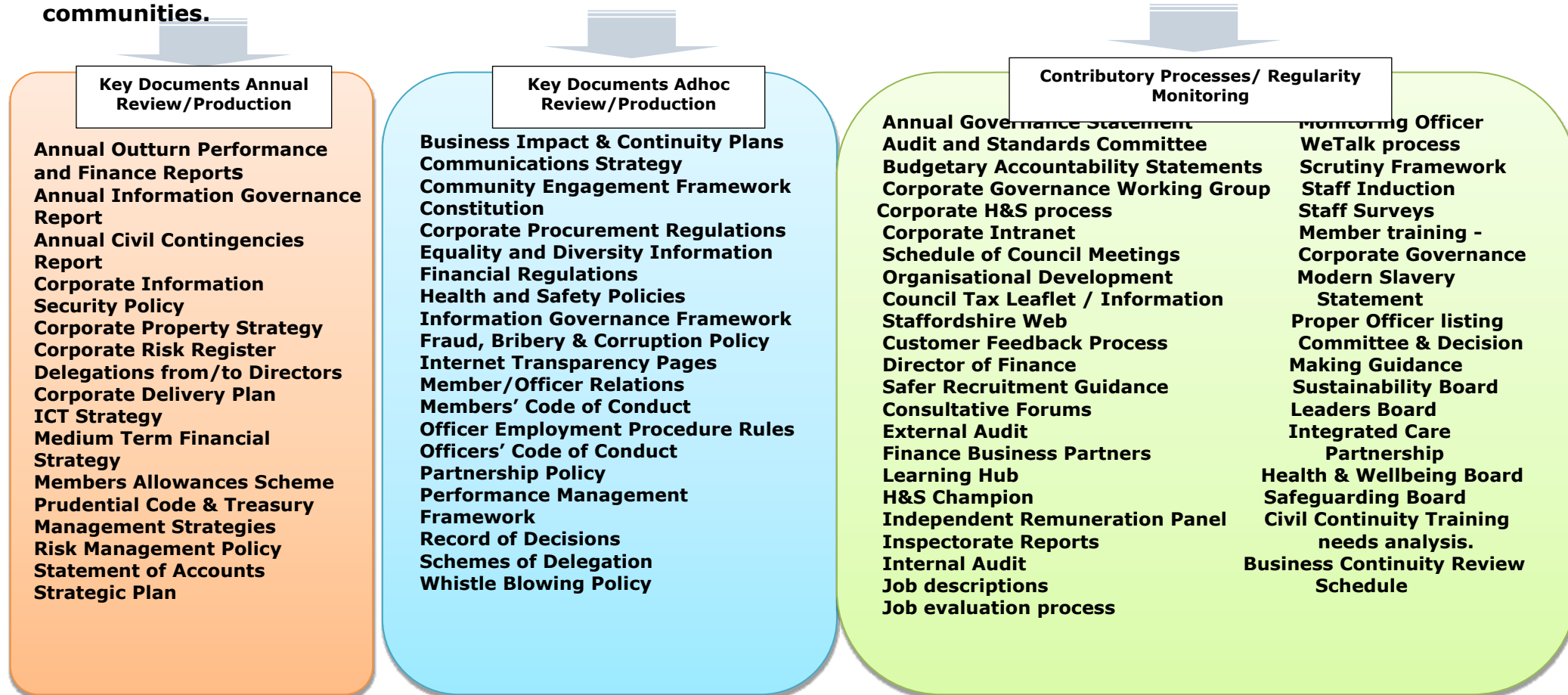
Code of Corporate Governance Action Plan 2022 - Progress Extract

1. Single Sheet Framework

Governance Framework - Principles, Statutory Obligations and Organisational Objectives



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.



CODE OF CORPORATE GOVERNANCE ACTION PLAN 2022- Updated for Progress

Action Point	SLT Lead	Progress (June 2023)
<p>Ongoing training and awareness raising of code of conduct for members. Accompanying guidance notes (already available) will be incorporated into the Constitution for clarity.</p> <p>Review documentation and produce templates / processes for member complaints to ensure consistency</p>	<p>Responsible Officer: John Tradewell, Deputy Chief Executive & Director for Corporate Services</p> <p>Implementation Date: On going</p>	<p>This exercise is still ongoing, new members have been trained new members but haven't undertaken any more general training of members. In terms of "accompanying guidance notes" these have been included in the Constitution as Appendix 2 in Section 3 of the Constitution. On the second one, there is a standard complaint form and a standard flow chart for the complaints process.</p>
<p>Legislation requires local authorities to appoint certain officers with statutory and proper officer responsibilities. Whilst statutory officers of the County Council have been identified, there is a need to identify a list of "Proper Officers"</p>	<p>Responsible Officer: Chris Ebberley, Head of Member & Democratic Services</p> <p>Implementation Date: December 2022</p>	<p>A detailed list of proper officer responsibilities has now been generated and published on the intranet.</p>
<p>Continued progress on We Are Staffordshire</p>	<p>Responsible Officer: Cristian Marcucci, Assistant Director for Communications</p> <p>Implementation Date: Ongoing</p>	<p>'We Are Staffordshire' launched in 2020, has continued to grow from strength to strength, raising positive awareness of and instilling pride in Staffordshire. The success of the programme was illustrated by We Are Staffordshire being shortlisted for two City Nation Place Awards in 2022, including international place brand of the year.</p>
<p>Development of a medium-term business case for the Centre for Data Analytics</p>	<p>Responsible Officer: Lynsey Bissell, Assistant Director for Strategy and Transformation.</p>	<p>Due to staffing changes the timescales of this have been revised. It's envisaged the business case for a potential full operating</p>

	Implementation Date: September 2023	model will be delivered on or before September 2024.
Establishment of the Staffordshire Leaders Board, including an added value programme of work	Responsible Officer: Lynsey Bissell, Assistant Director for Strategy and Transformation. Implementation Date: June 2023	The Board is established, Terms of reference were agreed and signed off. The board agreed to focus on six priorities (programme of work). Given the recent local elections, the board is refreshing its terms of reference to take account of new political leaders
To complete the generation of a comprehensive volunteer management strategy and framework.	Responsible Officer: Catherine Mann Interim Assistant Director for Culture, Rural & Safer Communities. Implementation Date: 31 st December 2022	A set of nine 'volunteering principles' have been created in consultation with the Volunteering Task & Finish Group, Communities Leadership Group, VCSE Partners and current volunteers to reflect a better offer to our volunteers and what they should expect from Staffordshire County Council. Along with the principles, we have created a suite of guidance documents to support managers (or those supporting volunteers) across the organisation with practical elements such as recruitment, training and insurance, induction and supervision, as well as guidance on how to end placements.
To refresh the Modern Slavery and Human Trafficking Statement	Responsible Officer: Ian Turner, Assistant Director for Commercial & Assets Implementation Date: 30th September 2022	This has now been completed and signed off via SLT.

<p>The national TOMS (Themes, Outcomes & Measures) framework to be used on a sample of relevant procurements from September 2022.</p>	<p>Responsible Officer: Ian Turner, Assistant Director - Commercial Services and Assets</p> <p>Implementation Date: 30 September 2022</p>	<p>The approach was signed off by SLT and to be taken to informal Cabinet.</p>
<p>To ensure ongoing greater visibility and ownership of the Corporate Risk Register, together with regular monitoring and updating of individual risk areas.</p>	<p>Responsible Officer: Lisa Andrews, Assistant Director - Audit & Financial Services</p> <p>Implementation Date: Ongoing</p>	<p>Progress has been made in this area and going forward key strategic risks will be highlighted as part of the quarterly integrated performance reporting arrangements.</p>
<p>The ongoing review the current HR policies in operation to ensure that they reflect the needs of the business.</p>	<p>Responsible Officer: Sarah Getley, Assistant Director – People</p> <p>Implementation Date: Next tranche to be implemented in June 2022</p>	<p>The review has continued (after successful launches in Sept and Dec 2022) and the following HR Policies have been reviewed and revised to reflect the needs of the business.</p> <p>The following have been launched up to and including June 2023.</p> <p>Schoolerised versions of Sept 2022 corporate policies commended to LA maintained schools in Jan 2023 Flexible Working Policy changes Parental Bereavement Leave and Pay within Time Off Policy Fostering Friendly Leave provisions introduced Whistleblowing revised policy to be launched this week. Schoolerised version of Sickness Absence Policy launched in June</p>

		Work continues on the remaining HR Policies
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, Assistant Director - Audit & Financial Services</p> <p>Implementation Date: 31st March 2023</p>	The draft risk management policy is awaiting consideration by SLT. Work is underway to input all existing risk registers into the Risk Management Module. The output will inform the quarterly integrated performance reports.
To procure and undertake the second external quality assessment (EQA) of the Internal Audit Service during 2022/23.	<p>Responsible Officer: Lisa Andrews, Assistant Director - Audit & Financial Services</p> <p>Implementation Date: 31st March 2023</p>	This has been completed. The EQA was conducted in January 2023 and the Internal Audit Service were evaluated as complying fully with the Public Sector Internal Audit Standards & Local Government Application Note.
To consider scope of Overview and Scrutiny Committees to better align with Strategic Plan Priorities / Cabinet Portfolios	<p>Responsible Officer: Chris Ebberley, Head of Member & Democratic Services.</p> <p>Implementation Date: 31st March 2023</p>	This was actioned following the review of the Constitution in Spring 2022. The Chairman and Vice Chairs of the four Overview and Scrutiny Committee considered that the current Committee structure accurately reflected the functions and services of the Council.

SUPPORTING PAPER 2

PROGRESS AGAINST SIGNIFICANT CONTROL ISSUES CONTAINED WITHIN THE 2021/22 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 2023
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.	Neelam Bhardwaja – Director for Families & Communities ¹ March 2023	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. The Council has until 20th April 2023 to address all actions. A further 12 months progress report was undertaken in April 2023 to ensure that outstanding actions were being addressed. Status: Carried Forward as AGS 1
Annual Governance Statement 2	To continue to monitor the arrangements surrounding the operation of the Staffordshire and Stoke on Trent Integrated Care Partnership to ensure that it facilitates relationships and	Richard Harling – Director for	The Leader of the County Council is now the Co-Chair of the Integrated Care Partnership and therefore can influence its agenda moving forward.

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 2023
	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.	Health & Care Ongoing throughout 2022/23	Status: Complete
Annual Governance Statement 3	To continue 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. Attention will continue to be given to Social Care providers.	John Tradewell – Deputy Chief Executive & Director for Corporate Services & Richard Harling – Director for Health & Care Ongoing throughout 2022/23	This is an ongoing action and will continue into 2023/24. Business Continuity arrangements will also be reviewed to ensure that they are robust and remain up to date. Status: Carried Forward as AGS 2
Annual Governance Statement 4	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 throughout 2022/23	This area will continue to be monitored based on increasing numbers of public sector cyber security incidents. Cyber governance arrangements will be reviewed and strengthened as appropriate. Status: Carried Forward as AGS 3
Annual Governance	To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses	Chief Executive and Senior	This is a continued action and requires ongoing vigilance. Wherever possible governance issues that have been identified in other Local

Review Reference	Governance Issue	Target Date	Progress as at October 2023
Statement 5	in governance arrangements are exposed by isolated events. In particular for the governance weaknesses identified within the Internal Audit Outturn regarding maintained schools.	Leadership Team Ongoing throughout 2022/23	Government entities, public interest reports are reviewed in order to ensure that our own internal control arrangements/ working practices are sufficiently robust. Status: Carried Forward as AGS 4
Annual Governance Statement 6	To continue to raise the profile of key governance processes and arrangements within the Council throughout 2022/23 including consideration of 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 a clear focus on the cultural aspects of good governance.	John Tradewell – Deputy Chief Executive & Director for Corporate Services Ongoing throughout 2022/23	Work in this area continues and will be enhanced through the recently commenced Governance assurance review. Status: Carried Forward as AGS 5
Annual Governance Statement 7	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 – Director of Finance March 2023	The draft Risk Management Policy has been updated and will be presented to SLT for approval. Following significant staff absence, work has now commenced on populating the Pentana risk management module software with individual risks across risk categories. Additional resources are being obtained. Reporting arrangements are currently being evaluated to ensure that they will meet organisational requirements. Status: Carried Forward as AGS 6

Review Reference	Governance Issue	Target Date	Progress as at October 2023
Annual Governance Statement 8	To ensure that the recommendations contained in the Limited Assurance & special investigation internal audit reports raised in the HOIA opinion are fully implemented. This will be overseen by the Audit & Standards Committee through their recommendation tracking review.	Rob Salmon – Director of Finance. Ongoing throughout 2022/23	<p>The Pentana audit and risk management software supports the tracking of all audit recommendations and non-compliance is reported to Audit & Standards Committee as part of the internal audit progress report. This was undertaken in December 2022. Implementation of recommendations are reported as part of the annual outturn report.</p> <p>Status: Completed as part of the ongoing recommendation tracking process.</p>
Annual Governance Statement 9	To continue with the highways’ transformation programme, transforming the Council’s highway services and developing effective governance arrangements for the new highways’ delivery model.	Darryl Eyers, Director for Economy, Infrastructure & Skills March 2023	<p>Work continues on the highways’ transformation programme and will be carried forward as an action into the 2023/24 statement.</p> <p>Status: Carried Forward as AGS 7</p>
Annual Governance 10	To prepare for and collate all the required information and decision-making records in readiness for the UK Covid-19 Inquiry which has been set up to examine the UK’s response to and impact of the Covid-19 pandemic.	Chief Executive and Senior Leadership Team March 2023	<p>A Covid Inquiry Officer has been appointed and leads on this work. A Covid Inquiry Working Group reporting to SLT was formed in September with agreed terms of reference i.e., to co-ordinate and advise on the Councils response to the National Covid Enquiry. The group has coordinated the collection and submission of evidence for Module 5 of the enquiry relating to Government Procurement and PPE. This work will continue into 2023/24.</p> <p>Status: Carried Forward as AGS 8</p>
Annual Governance 11	To review and evaluate the arrangements in place relating to the role of the Audit & Standards Committee in the governance of Local Authority Trading Companies (LATCOs) and to	John Tradewell, Deputy Chief Executive &	During 2023, a company checklist/mobilisation plan was developed, to be used when setting up an external trading company. This document summarises the administrative steps and practical

Review Reference	Governance Issue	Target Date	Progress as at October 2023
	develop a 'light touch' framework for the governance and oversight of the Council's external trading companies.	Director for Corporate Services March 2023	<p>post-establishment actions which the Council may need to complete in order to establish a company as a trading entity.</p> <p>The Nexxus Care Financial Assurance review conducted in 2022/23 and finalised in March 2023 evaluated the arrangements in place relating to the role of the Audit & Standards Committee in terms of overseeing Nexxus care specifically and a recommendation was made to strengthen this area. Enhanced performance and finance is now included within the annual report presented to SCC cabinet which is also to be shared with the Audit & Standards Committee (date to be confirmed).</p> <p>The Shareholder's agreement currently being drafted and consulted on sets out the Council's role as shareholder of Nexxus care and as such sets out the various interactions that the company and the Council will have with each other along with the monitoring arrangements in place. This is in effect the framework for governance but solely relates to Nexxus care</p> <p>Status: Carried Forward as AGS 9</p>
Annual Governance 12	To further embed the Staffordshire Leaders' Board, a new Joint Committee, with agreed priorities, which was established in December 2021.	John Tradewell, Deputy Chief Executive & Director for Corporate Services March 2023	Establishment of the Staffordshire Leaders Board, including an added value programme of work The Board is established, Terms of reference were agreed and signed off. The board agreed to focus on six priorities (programme of work). Given the recent local elections, the board is refreshing its terms of reference to take account of new political leaders

Review Reference	Governance Issue	Target Date	Progress as at October 2023
			Status: - The initial work has been completed.
Annual Governance 13	To prepare for the additional costs of social care reform, as far as possible, and to reflect these when setting the budget for 2023/24.	Rob Salmon Director of Finance March 2023	As a result of the Government decision to defer the Social Care Reform arrangements in November 2022 this specific action is superseded. The MTFS and annual budget setting processes will monitor the implications of future social care costs very carefully. Status: This specific action has been completed.
Annual Governance 14	To implement the necessary arrangements to prepare and provide assurance for the Care Quality Commission (CQC) Local Authority assessment framework commencing 2023.	Richard Harling, Director for Health & Care March 2023	Substantial preparations have been undertaken by the Director of Health & Care to ensure that the Council is as prepared for this inspection as possible. Details have been also reported to the Health & Care Overview & Scrutiny Committee. Status: Carried forward as AGS 10
Annual Governance 15	Following the completion of the Children's transformation programme Project in December 2021, actions are required to ensure that operational gaps identified as a result of the transformation programme are addressed and that the new structure and processes are operating as intended, are embedded and are effective.	Neelam Bhardwaja Director for Children and Families Ongoing throughout 2022/23	Work continues on the Children's transformation project. Operational procedures continue to be reviewed. Particular issues have been raised regarding Home to School transport arrangements which will be reported regularly to SLT. A key part of the Children's Transformation was about the way we work as a system, including the way we shape our services, support the needs of families, take quicker local decisions and embed learning from the system to continue to evolve it. There has been a new Systems Improvement Board established to drive forward improvement, quality assurance activity mapping is complete, and a communications plan agreed to further embed the transformation.

Review Reference	Governance Issue	Target Date	Progress as at October 2023
			Status: Carried Forward as AGS 11

Conclusion

The review of actions detailed within the 2021/22 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 2022/23 AGS key actions AGS 1, AGS 3, AGS 4, AGS 5, AGS 6, AGS 7, AGS 9, AGS 10, AGS 11, AGS 14 and AGS 15 should be carried forward into 2023/24.

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 14 December 2021 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. The audit of the 2021/22 Statements also remaining outstanding as a direct result. ***

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

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

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.

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. As a direct consequence the audit of the 2021/22 Accounts is delayed. ****

SUPPORTING PAPER 4

INTERNAL AUDIT OUTTURN REPORT 2022/23 AND PERFORMANCE AGAINST THE UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The overall conclusion taken from the Outturn report states:

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 2022/23.

‘This year’s audit plan has been dominated firstly by our planned audit activities supporting the Council’s digital transformation programme and specifically the high-profile Corporate File Plan Project and new IT systems including the new “we recruit” applicant tracking system and the new Altair Pensions System. Internal Audit has also been involved in other transformational work including the on-going highways transformation programme and our work to provide assurance over new service delivery models such as the household waste recycling centres. 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. In 2023/24, we will turn our attention to the new arrangements operating within Children’s services following their transformation programme and also the revised processes operating within SEND services as well as providing on-going support to those services which have transferred back in house including the Household Waste Recycling Service, Early Years Service and Careers and Participation Service. Secondly, during 2022/23, the Internal Audit Service has continued to support the Council in undertaking the various required grant verification sign-off exercises along with post assurance checks to provide assurance that funding is accurately accounted for and has been used appropriately. No significant concerns were noted. Further grant verification work is required in 2023/24 although the number of audits in this area have reduced as the Council returns to ‘business as usual’ following the COVID 19 pandemic.

Emphasis on strong financial management remained in 2022/23 with a full audit programme of main financial systems conducted. The Council’s debt recovery arrangements have again emerged as an area of concern. Although general debt and other debt categories were at or below target at year-end, Health and Care Client Debt (over 6 months old) significantly exceeds the financial target for 2022/23. Subsequently, several recommendations have been made in our latest internal audit review to improve the Council’s invoicing, income collection and debt recovery arrangements in place. In respect of debt targets, it should be noted that from quarter one of 2023/24 onwards, the debt key performance indicator (KPI) has been amended from £14.7m to £21.5m. These amendments have been made to reflect the fact that a) the previous target had not been revised since 2019/20 and b) the Covid 19 pandemic, the cost-of-

living crisis and the decision of the Social Care Ombudsman regarding residential care billing have changed the income raising and collection environment. Internal Audit will provide further assurance over this area in 2023/24. In relation to the payroll control environment for the Council's core payroll, this area has again been awarded an adequate assurance opinion with no high-level issues raised, which is pleasing to note. At the time of writing, audit work relating to the Pension Fund – Pension Pool investment arrangements which was being carried out by one of the Partner Fund authorities was still in progress and the opinion is currently awaited. This will be reported to this committee, as appropriate once finalised.

The 2022/23 Schools' compliance programme has again identified areas of non-compliance and lapses in internal controls with limited assurance audit opinions being awarded for thirteen school establishments, which although similar in number to last year continues to represent a sustained increase when looking back over recent years. Also, control weaknesses relating to payroll processes operating at schools have continued to be identified during 2022/23. As a result of these audit outcomes, in-year we have undertaken continuous controls monitoring (CCM) specific to schools to give greater assurance over financial transactions. It is our intention to continue to raise awareness of best practice and counter fraud measures with more regular communications to schools throughout 2023/24. Our school visits will also continue to be supplemented by a programme of CCM that will provide assurance over a greater volume of financial transactions across all Staffordshire Schools in 2023/24, the findings of which will feature in our communications with schools to reinforce lessons learnt throughout the year.

Finally, despite the significant value of financial losses (fraud/error) identified in 2022/23, the number of limited assurance opinions awarded across the planned system reviews have continued to reduce from four in 2021/22 to one in 2022/23 with no limited assurance opinions being awarded in either the top risk or the other systems audit categories of work. Notably, the largest financial loss reported in this year's annual outturn report relates to one serious fraud (misuse of SEND personal budgets) which has been fully investigated and reported to the Police (investigation currently on going). Internal Audit will continue to support the service area in 2023/24 to provide assurance over revised processes to be put in place. Other smaller financial losses related to our own initiated proactive exercises using Council data effectively to detect anomalies for further investigation (anomalies in 2022/23 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 2023/24.

SUPPORTING PAPER 5

OTHER SOURCES OF ASSURANCE - STATUTORY OFFICERS

The Chief Finance Officer (Director of Finance)/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 Director of Finance to be responsible for the administration of these affairs.

In response to the requirements of Section 25 of the Local Government Act 2003, the Director of Finance 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 Director of Finance 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 Director of Finance 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 Director of Finance.

Conclusion

Neither the Monitoring Officer nor the Director of Finance has had occasion to use their statutory powers of intervention in 2022/23.

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 2022/23 was considered at the Overview and Scrutiny Chairs/Vice Chairs Forum and subsequently signed off by the Chairman of Corporate Overview and Scrutiny committee and submitted to Full Council on 20 July 2023. 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 October 2023 provided a summary update on the Council's performance and financial position, detailed below.

Key highlights

- **We are Staffordshire:** Staffordshire's place brand highlighted at national online conference with 600+ attendees. Planning started for UK Real Estate Infrastructure and Investment Conference (UKREIIF) in 2024.
- **Staffordshire Warmer Homes Scheme:** £10.5m funding secured to bring eco-friendly heating solutions to rural properties that are situated away from the gas network. Since December 2022, 473 measures have been installed in 334 properties.
- **Supportive Communities Programme:** New community resource called 'Bag of Trix' launched, which provides assistive technology and daily living aids to promote independent living.
- **Household Support Fund:** During the summer holidays almost 28,000 families of children in receipt of Free Schools Meals were issued with supermarket vouchers.
- **Holiday Activities and Food (HAF) Programme:** The Summer HAF offered more than 49,000 places; focus on encouraging take-up by the most vulnerable children and young people. Inclusion high on the agenda, with clubs to cater for all children.
- **Household Waste Recycling Centres (HWRCs):** Permit scheme launched in September 2023 to improve services and reduce queues for residents while promoting sustainable waste disposal within the county.

Key challenges

- **Children in Care:** Continued pressures across Children's services, including the rising cost, higher than anticipated numbers and complexity of Children in Care, and ongoing placement pressures. New Discharge Planning Team, went live in August, will help progress exit activity.
- **SEND:** Increased demand for Education, Health and Care Plans. Capacity continues to be a challenge; however, all additional Senior Key Workers are now in post.
- **Adult Social Care Demand:** Safeguarding and Deprivation of Liberty Safeguarding (DoLs) requests remain high, with additional capacity being sourced and further options to streamline DoLs process being explored.
- **Highways Performance:** Levels of demand were high in Quarter 2, particularly in relation to high-risk defects, however timeliness of repairs is back on track following a dip in Quarter 1, and the council is continuing to deliver its Highways Maintenance and Transformation Programmes.

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 and the recently commenced wider governance review. 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 the system has started to be populated with key risks facing the organisation and this will continue throughout 2023/24. This will provide a digital solution for the production of the corporate risk register and has started to replace the present manual process managed via various excel spreadsheets. It is anticipated that the nominated risk owners will be responsible for the completion and update of their digital 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 2022/23 most notably relating to:-

- Joint Funding and Billing CCG's Continuing Healthcare – progress on the implementation of recommendations.
- Infrastructure + Asset Data Management
- Agency Staffing Contracts Review – progress of the implementation of recommendations
- SEND Accelerated Progress Plan
- Internal Audit Review – Nexxus
- Company Governance
- Cyber Security Strategy
- Community Climate Action Fund

The Audit & Standards Committee received and approved its Annual Report for 2022/23 at its meeting in April 2023. There were no major issues raised and the report was presented by the Chairman to Full Council in May 2023.

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

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.

During 2022/23, a report from the Director of Children and Families was presented to the Audit & Standards Committee outlining the progress made against the Accelerated Progress Plan (APP) as reported by the Department of Education and NHS England following their visit on 29 September 2022 and letter 10 October 2022.

A full Ofsted Inspection has recently been conducted and concluded on the 10 November 2023. The results of the inspection were published on the 17 January 2024.

Judgement	Grade
The impact of leaders on social work practice with children and families.	Requires improvement to be good
The experiences and progress of children who need help & protection.	Requires improvement to be good
The experiences and progress of children in care.	Good
The experiences and progress of care leavers.	Requires improvement to be good
Overall effectiveness	Requires improvement to be good

- Services for vulnerable children and their families and for care leavers in Staffordshire need to improve.
- Since the last inspection, the quality of services to children in care has been sustained.
- While the quality of some help and protection services has improved, there has also been some deterioration and overall, they continue to require improvement.
- Services for care leavers require improvement to be good, due to aspects of the offer to care leavers being wanting, such as the use of unsuitable short-term accommodation for some young people, which makes them more vulnerable and difficulties in accessing the right health services at the right time.

- There is not a comprehensive approach to supervision and management oversight.
- Quality assurance and performance management are not robust enough to successfully improve service quality and ensure that leaders have a comprehensive and accurate overview of the service.

The following recommendations to improve were made:

- The quality and effectiveness of management oversight of contracts, referrals and assessments in the 'front door'
- The effectiveness and impact of performance data and quality assurance to drive practice improvement.
- The effectiveness and oversight of allegations against those in positions of trust undertaken by the local authority designated officer (LADO) service.
- The effectiveness of partnership working, particularly with housing and health partners, to improve children's access to dentistry and for children in care with more complex health needs to get timely assessment and support and ensure that care leavers are not placed in unsuitable temporary accommodation.

Previously, the External Auditor has qualified the Council's financial accounts 2019/20 value for money opinion on an 'except for basis' regarding 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. No details have yet been provided for the 2021/21 Value for Money opinion to date.

The County Council acts as the Accountable Body for the Stoke on Trent and Staffordshire Local Enterprise Partnership. During 2022/23, Internal Audit have 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

The Audit and Standards Committee received an Annual Report in July 2023 (covering the period June 2022 to June 2023) on the management of elected member related complaints. No significant matters were identified. 11 complaints were received and concluded, 1 case was not entered into the process as the complainant was not directly affected by the alleged actions of the member concerned. 1 case was closed due to changed circumstances, 1 case currently under consideration and 1 case awaiting processing. Whilst there was no underlying theme to the nature of complaints the annual report highlighted that a number relate to comments made by members either in meetings or publicly e.g., the Press. The Code of Conduct calls on members to exercise Respect towards others. When complaints are considered regarding comments made by members distinction is drawn between respect being exercised and the importance of being able to express views and opinions freely.

The Annual Report of the Customer Feedback & Complaints Service for 2022/23 was presented to the Corporate Overview & Scrutiny Committee on 12 September 2023. The following extract details the overall conclusion from the report.

Conclusion:

- 2022-23 has seen a significant increase in not only complaints addressed under the formal complaints procedure but also matters that are outside the remit of this process.
- There is an opportunity to analyse this data further to understand why a high proportion of contacts to the team are for matters that the team does not handle. Information is available on the Complaints webpages to signpost residents to the appropriate process for issues that are outside of the Corporate Complaints Procedure. However, residents do continue to use the online form and direct emails to the Customer Feedback and Complaints Team regarding matters that the team is unable to assist with. Wherever possible, the team will advise the resident where they should direct their enquiry. This can include signposting to alternative contacts within the Council where online reporting facilities exist (highways and parking for example). If the concern is about an issue that is not in the remit of the Council, then the team will find out information from other sources and provide this to the resident so that they can refer the matter to the correct organisation.
- This reporting period has seen positive responses to complaints in terms of identifying where service improvements can be made, therefore underlining the value of the Council's Corporate Complaints Procedure. This approach needs to be further embedded across the organisation

The LGSCO Annual Review Letter for 2022 - 23 was received on 19 July 2023 and there were no major matters from a Formal Report perspective but reference to undertaking remedies in a timely manner and within agreed timescales was highlighted again for the fourth year in succession. Reference was also made to the improvements within the complaints handling arrangements in that the proportion of delayed recommendations and late responses were lower; it was clear that issues with timeliness persisted.

Several whistleblowing issues have been considered by the Monitoring Officer (2 in 2022/23 and 3 subsequent, to the production of the AGS) and where appropriate are considered by the Corporate Governance Working Group in year.

Following the completion of a Member-led working group via the Audit & Standards Committee tasked review of the main body of the County Council's constitution in early 2022, focus then turned to improving awareness and understanding of the Scheme of Delegation (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.

Compliance with the CIPFA Financial Management Code via a self-assessment review was performed during 2022/23 to assess the extent to which the Council's financial management arrangements complied with the FM Code. This review confirmed that there was a high level of conformance with requirements, actions identified in previous years had been addressed with no

outstanding areas to be considered. Therefore, there is full compliance with the Code. Compliance will continue to be monitored and updated as required.

SECTION F – CONTINUED COVID 19 RESPONSE

The Local Code of Corporate Governance was reviewed in 2022 and 2023 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 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.

There has been no reduction in the scope of the work of Internal Audit during 2022/23 as a direct consequence of the COVID 19 pandemic. 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.

During 2022/23, the Internal Audit Service has continued to support the Council's response to the COVID 19 pandemic and is a member of the Covid Inquiry Working Group. This group is tasked with producing the Councils response in respect of the various calls for information by the National Covid Enquiry. To date information has been submitted in respect of Module 5 - Procurement and PPE and is currently being prepared for Module 6 – Care Sector.

- **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 have been changed and the new arrangements are currently being implemented and embedded.**

Section D

- **Our Children's Services have currently undergone a full Ofsted Inspection in November 2023. **The judgement given is requires improvement to be good.****
- **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. A report from the Director of Children and Families was presented to the November 2022 Audit & Standards Committee outlining the progress made against the Accelerated Progress Plan (APP) as reported by the Department of Education and NHS England following their visit on 29 September 2022 and letter 10 October 2022.**
- **As part of the final accounts process for 2020/21 the External Auditor has issued an unqualified opinion.**

Section E

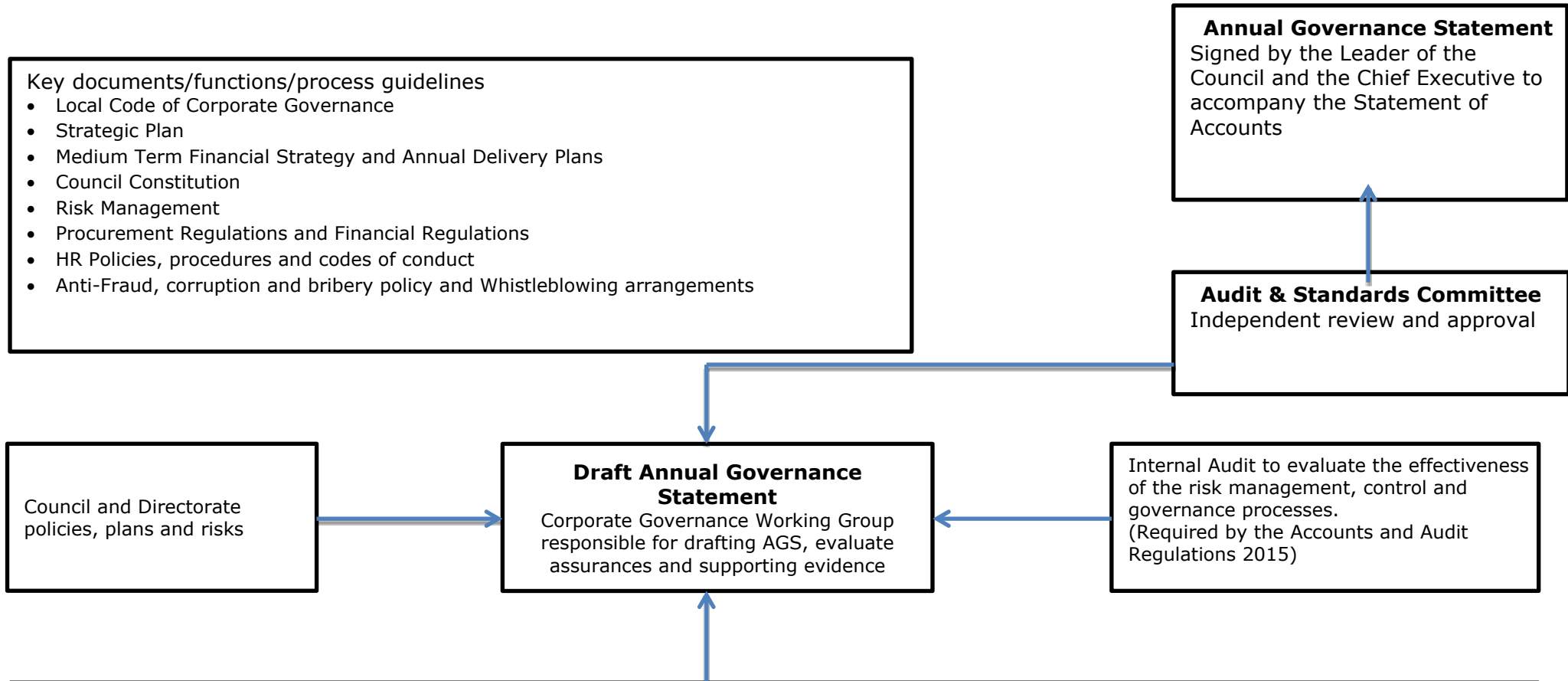
- **The Audit and Standards Committee received the Annual Reports on the management of elected member related complaints. No major issues reported.**
- **A few whistleblowing issues (2 related to 2022/23 and 3 have subsequently been received in 2023/24) have been /are being considered by the Monitoring Officer and will be considered by the Corporate Governance Working Group in due course.**
- **The 2022/23 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 July 2023.**
- **The latest LGSCO Annual review letter 2023 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 expired 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.**
- **Internal Audit has continued to support the Council's response to the COVID 19 pandemic as part of the Covid Inquiry Working Group, charged with the responsibility of submitting documentation to the national enquiry.**

THE ANNUAL GOVERNANCE STATEMENT - FRAMEWORK

APPENDIX 1



Provision of ongoing assurance on adequacy and effectiveness of controls over key risks								
Performance Management and Data Quality	External Inspections – e.g. Ofsted, Care Quality Commission)	Financial Control Assurance (S151 Officer)	Legal and Regulatory Assurance (Monitoring Officer)	Members’ Assurance	Internal Audit	External Audit	Risk Management	Assurances by Directors/Risk Owners

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 to more good jobs and share the benefits of economic growth
- Live in thriving and sustainable communities
- Be healthier and independent for longer

The associated Delivery Plan defines a set of corporate priorities which are consistent with these outcomes.

Stage 2 – Identify principal risks to achieving Corporate Priorities

The Corporate Risk Register currently comprises 14 risk categories. As part of the new risk management system the ability to cross-referenced risks to the Strategic Objectives.

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 crossed 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.

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	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 Director of Finance Head of Paid Service	3
Business Continuity Framework	Staffordshire Prepared Website Business Continuity Website SCC Shared drive for Civil Contingencies	Testing of Business Continuity Plans Corporate Governance Working Group Staffordshire Civil Contingencies Unit Staffordshire Resilience Forum	2

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
	Defined Work Programme approved	Exercise Aurora	
Code of Corporate Governance	Code of Corporate Governance Annual Action Plan Internal Audit Review in 19/20 resulting in Substantial Assurance	Audit and Standards Committee Assessment & Approval Corporate Governance Working Group Monitoring Officer Director of Finance Head of Paid Service	3
Committees	Overview & Scrutiny Committees Audit and Standards Committee	<u>Scrutiny & Overview Committees</u> Examples of effective scrutiny demonstrated through the annual report of the work of the four Committees <u>Audit and Standards Committee</u> Delivery of training Review of the effectiveness of the Audit & Standards Committee periodically undertaken with each Committee refresh.	3 3
Constitution	Constitution	Reviews overseen by the Audit and Standards Committee Corporate Services resource Monitoring Officer	2
Corporate Risk Register	Corporate Risk Register	Audit and Standards Committee - Corporate Risk Register – Senior Leadership Team Corporate Governance Working Group oversight and evaluation Risk Management Software	1
Customer Feedback Process	<u>See Risk Category 1</u>	<u>See Risk Category 1</u>	
Delegations to/from Directors	Delegations to Directors	Delegations to Directors Review of Delegations to Directors	2

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
	Delegations from Directors Corporate Governance Action Plan	Review of sub delegation schemes Regular IA reviews of compliance	
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
Record of Decisions	Record of Decisions	Corporate Services resource	3
Risk Management Policy Statement	Risk Management Policy Statement	Corporate Risk Category Leads Corporate Governance Working Group	1 (By virtue of need to revise and update the Statement and accountabilities)

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
		Embedding of risk management in Transformation process	
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: 20th November 2023

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 identifies 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).