ANNEX 1

REPORT OF THE CORPORATE GOVERNANCE WORKING GROUP

THE ANNUAL REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK, INCLUDING THE SYSTEM OF INTERNAL CONTROL – 2015/16

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 2014/15 AGS (Supporting Paper 2)

- Annual Audit Letter 2014/15 (Supporting Paper 3)

- Internal Audit Outturn Report 2015/16 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 (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.

SUPPORTING PAPER 1
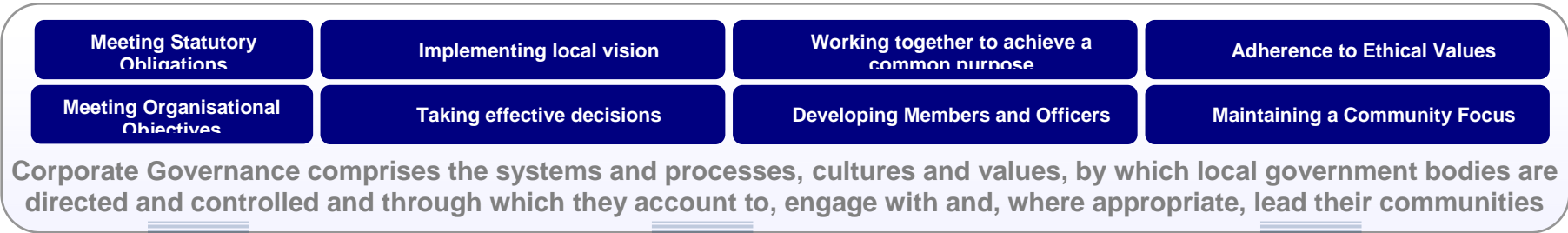
ANNUAL REVIEW OF THE CODE OF CORPORATE GOVERNANCE

Whilst the annual review of corporate governance has been deferred pending evaluation of the new CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework 2016" the Corporate Governance Working Group are confident that current documents and processes represent an effective governance framework.   Details of progress made on implementing the 2015/16 Action Plan were reported to the Audit & Standards Committee on 27 June 2016.

Attachments

Single Sheet Local Framework

Corporate Governance Action Plan 2015/16- Progress

Staffordshire County Council Corporate Governance Framework
Principles, Statutory Obligations and Organisational Objectives

Meeting Statutory Obligations	Implementing local vision	Working together to achieve a common purpose	Adherence to Ethical Values
Meeting Organisational Objectives	Taking effective decisions	Developing Members and Officers	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 Statement
- Corporate Information Security Policy
- Corporate Property Strategy
- Corporate Risk Register
- Delegations from/to Directors
- Business Plan
- Innovation & Efficiency Board
- Internal/External Audit Protocol
- ICT Strategy
- Medium Term Financial Strategy
- Members Allowances Scheme
- Prudential Code & Treasury Management Strategies
- Risk Management Policy Statement
- Statement of Accounts
- Strategic Plan
- Staffordshire Strategic Partnership

Key Documents: Ad-Hoc Review / Production

- Anti-Fraud Work plan
- Business Continuity Plans
- Change Management Framework
- Communications Strategy
- Community Engagement Framework
- Constitution
- Corporate Procurement Strategy and Regulations
- Equality and Diversity Information
- Financial Regulations
- Health and Safety Policies
- Information Governance Framework
- Integrity Policy Statement
- 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
- Whistle Blowing Policy

Contributory Processes/ Regulatory Monitoring

- Annual Governance Statement
- Audit and Standards Committee
- Budget Accountability Statements
- Corporate Governance Working Group
- Corporate H&S Process
- Corporate Intranet
- Council Tax Leaflet / Information
- Customer Feedback Process
- Director of Finance and Resources
- Consultative Forums
- External Audit
- Finance and Resources
- Head of Paid Service
- H&S Champion
- Independent Remuneration Panel
- Inspectorate Reports
- Internal Audit
- Job Descriptions
- Job Evaluation Process
- Law & Governance
- Member Training
- Monitoring Officer
- My Performance Conversation
- Schedule of Council Meetings
- Scrutiny Framework
- Staff Induction
- Staff Surveys
- Staffordshire Web
- Organisational Development
- Safer Recruitment
- Staffordshire Magazine

CORPORATE GOVERNANCE ACTION PLAN 2015/16

Action	SLT Lead	Progress
Review high level governance arrangements to make sure they continue to be fit for purpose in light of the increasingly and integrated partnership and commissioning environment in which the County Council operates	Corporate Governance Working Group	This will form part of the revised Code of Corporate Governance as there is specific reference to the governance arrangements of key partnerships in the various forms, within the revised framework. 31st December 2016
Review ICT Strategy	Director of Finance and Resources	The revised ICT Strategy has been drafted and will be issued for wider consultation by the end of June 2016, following which it will be formally signed off by the Senior Leadership Team.
Review Procurement Regulations and ensure consistency with commissioning intentions	Director of Finance and Resources	Currently in draft.
Review Financial Regulations	Director of Finance and Resources	At final draft stage ready for sign off by the Corporate Governance Working Group – 31 July 2016.
Review format and content of the Corporate Risk Register with specific reference to operational risks emanating from the Business Plan	Corporate Governance Working Group	Completed - The Strategic Risk Register was updated and reported to the Audit & Standards Committee in December 2015.
Review Risk Management Policy Statement	Corporate Governance Working Group	31 December 2016
Review process for communicating key governance documents	Corporate Governance Working Group	On-going – Following the production of the revised Code of Corporate Governance the updated details will be published via the intranet/ internet and an appropriate communication programme implemented. 31 December 2016

Review Corporate Property Strategy to include defining the role of the Strategic Property Partner	Director of Finance and Resources	In progress 30 September 2016
Review of compliance with Local Government Code of Transparency 2015	Director of Strategy, Governance and Change	Completed and reported to the Corporate Governance Working Group in May 2016.

SUPPORTING PAPER 2

PROGRESS AGAINST SIGNIFICANT CONTROL ISSUES CONTAINED
WITHIN THE 2014/15 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.

Significant internal control issues contained within the 2014/15 AGS

Ref	Key Action	SLT Lead Officer	Progress
AGS 1	Continue to undertake large scale transformation to address the continued financial pressures facing the Council	Director of Strategy, Governance and Change	Continued to resource and implement large scale transformation projects to address the continued financial pressures facing the council e.g. the transformation of Adult Social Care to better manage demand, the review of our approach to Children's Services to explore cheaper and more effective community based models of delivery, the continued extension of community involvement in the running of Libraries within the County, the review of the management of the Council's Countryside Estate, the review of the arrangements with the National Trust for running the Shugborough Estate, the Core Plus review of Back Office systems and services.
AGS 2	Seek to better join up health and social care (including seeing through our plans around the Staffordshire and Stoke on Trent Partnership NHS Trust, Care Act and Better Care Fund) into an integrated health and commissioning system.	Director of Health and Care	The Council has developed a Health and Care Programme covering Public Health & Prevention, Social Work and Safeguarding; and Care Commissioning. This programme includes, and is interdependent with: • SSOTP Transformation Programme • Better Care Fund • Sustainability Transformation Plan **Staffordshire and Stoke-on-Trent Partnership NHS Trust (SSOTP):** In April 2015, Cabinet agreed to continue with the Integration of Adult Social Care Services with Staffordshire and Stoke-on-Trent Partnership NHS Trust. In February 2016, spending pressures within Adult Social Care resulted in SSOTP serving notice on the County Council to exit the

| | | | Section 75 Agreement with effect from 1 April 2017, in order to start negotiations on these arrangements and options for adult social care, to look at what needs to be in place from 2017/18 and beyond..

Better Care Fund and SSOTP Transformation Plan : The Council continues to work with Clinical Commissioning Groups to oversee the Better Care Fund. The BCF is a joint commissioning arrangement with the five Staffordshire CCGs. The 2015/16 pool is approximately £100m. As part of the BCF agreement £1.9m has been provided to support the requirements of the Care Act. Schemes included in the BCF encompass the wider objectives of integrated commissioning and incorporate elements of the care pathway linked to the transformation of SSOTP.

Sustainability and Transformation Plan (STP): The Council, Stoke on Trent City Council, Health Providers and Clinical Commissioning Groups are working together to develop the Staffordshire STP which will help drive genuine and sustainable transformation in patient experience and health and care outcomes in the longer-term. The Sustainability Transformation Plan is aligned to the long term aspirations of the Health and Care Programme; the STP workstream Prevention and Wellbeing includes the same activities as is included in the Council's Public Health & Prevention Programme. The Director for Health and Care is included on the Together We're Better Transformation Board which will deliver the STP. |
|---|---|---|---|
| AGS 3 | Assess the opportunities and challenges presented by the Devolution agenda and its impact on Staffordshire. | Director of Strategy, Governance and Change | Assessed the opportunities and challenges presented by the Devolution agenda and its impact on Staffordshire with our Partners – The Council has agreed with its local authority partners in Staffordshire (i.e. the 8 districts and Stoke City Council) to consider Devolution and Public Sector Reform on the following basis:
• An Economy and Skills devolution proposal has been agreed by all local |

			authorities in Staffordshire as a framework for further discussion with government at an appropriate time • All the local authority partners have agreed that Public Sector Reform is happening, that we want to shape it in our area, and that it provides an opportunity to break down funding, commissioning and delivery silos and create joined-up commissioning across the public sector (i.e. joining up the commissioning of the £7bn plus of public sector spending in Staffordshire) • At the present time it is not considered necessary or appropriate to create new forms of governance to deliver public sector reform, but it is felt that an enhanced form of 2 tier working should be developed. This is being led by the 10 local authority leaders and managed by the 10 local authority chief executives • The approach to public sector reform will be built around 4 key commissioning blocks – Children, Health and Care, Economy and Skills and Community Safety.
AGS 4	Create a commercial and contract management team through the combination of the Commissioning Delivery Hub and Procurement Teams.	Director of Finance and Resources	Implemented a Commercial and Contract Management team through the combination of the Commissioning Delivery Hub and Procurement Teams.
AGS 5	Ensure that the senior and wider leadership cohort of the organisation have the necessary capabilities and sufficient capacity and are structured correctly to deliver the council's priorities as articulated in the Business Plan.	SLT	Defined and commenced implementation of a new officer structure across the Council's directorates. A new SLT structure was defined and implemented which led to the establishment of the following Directorates: • Finance and Resources • Economy, Infrastructure and Skills • Families and Communities • Health and Care • Strategy, Governance and Change

Conclusion
The review of actions detailed within the 2014/15 AGS has confirmed that whilst significant progress has been made, for the purposes of the 2015/16 AGS key Actions AGS 1, AGS 2 and AGS 3. should be carried forward

SUPPORTING PAPER 3

ANNUAL AUDIT LETTER 2014/15

The Annual Audit Letter 2014/15 was submitted to the Audit and Standards Committee on 7 December 2015.

Extract from Annual Audit Letter

Our 2014/15 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2015.

- We audited the Council's accounts in line with approved Auditing Standards and issued an unqualified audit opinion on 30 September 2015.

- Our work on the Council's systems identified no significant deficiencies in internal control.

- We issued an unqualified conclusion on the ability of the organisation to secure proper arrangements to secure economy, efficiency and effectiveness in its use of resources

- We reviewed the Annual Governance Statement to consider whether it complied with the CIPFA / SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context

Conclusion (from SCC perspective)

The Extract from the Annual Audit Letter gives assurance in respect of the 2014/15 Financial Accounts and confirms an effective system of internal control.

SUPPORTING PAPER 4

INTERNAL AUDIT OUTURN REPORT 2015/16 AND PERFORMANCE AGAINST THE UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS

Extract and Conclusion

The Outturn Report was presented to the Audit and Standards Committee on 27 June 2016. The Internal Audit Section gave an "adequate assurance" opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework. A number of audit reviews[1] during 2015/16 have identified high level issues, which has resulted in the system being awarded a limited assurance opinion. It is important that the key actions identified in response to the recommendations made are implemented as agreed and progress monitored to ensure that the necessary steps have been taken to strengthen the control environment. This will be a key focus for the 2016/17 Internal Audit Plan.

We have an effective system of internal audit in place, as measured against set conditions, which include:

- How well we follow the new Public Sector Internal Audit Standards together with the Local Government Application Note;
- Our main performance results;
- Feedback from the Chief Finance Officer (Director of Finance & Resources).

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[1] SAP Enterprise, Care Act Requirements – Prisoners, Deprivation of Liberty Safeguards, Deputyships, Deferred Payment Agreements for Care Costs, Procurement outside of Staffordshire Procurement, Oracle Database System Management, Independent Foster Agencies – contract and monitoring, Special Educational Needs Transport, DBS review – Taxi Drivers and Escorts, Compromise Agreements and Purchasing Cards

SUPPORTING PAPER 5

OTHER SOURCES OF ASSURANCE - STATUTORY OFFICERS

The Chief Finance Officer (Director of Finance & Resources)/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 2015/16.

OTHER SOURCES OF ASSURANCE – MISCELLANEOUS

SECTION A SELECT COMMITTEES

We have effective processes in place. We have a number of Select 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.

SECTION B CORPORATE DIRECTORS/RISK OWNERS

Assurance Statements are in the process of being reviewed 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 format of the Corporate Risk Register continues to be revised as the County Council develops its business operating model. It is intended to submit an updated version of the Corporate Risk Register to the Audit and Standards Committee at its December 2016 meeting.

SECTION D STANDARDS BOARD/OMBUDSMAN

Our Audit and Standards Committee did not investigate any complaints about the behaviour of our elected members. The Ombudsman did not uphold any complaints about governance issues. No whistleblowing issues were considered by the Corporate Governance Working Group.

Conclusion

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

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

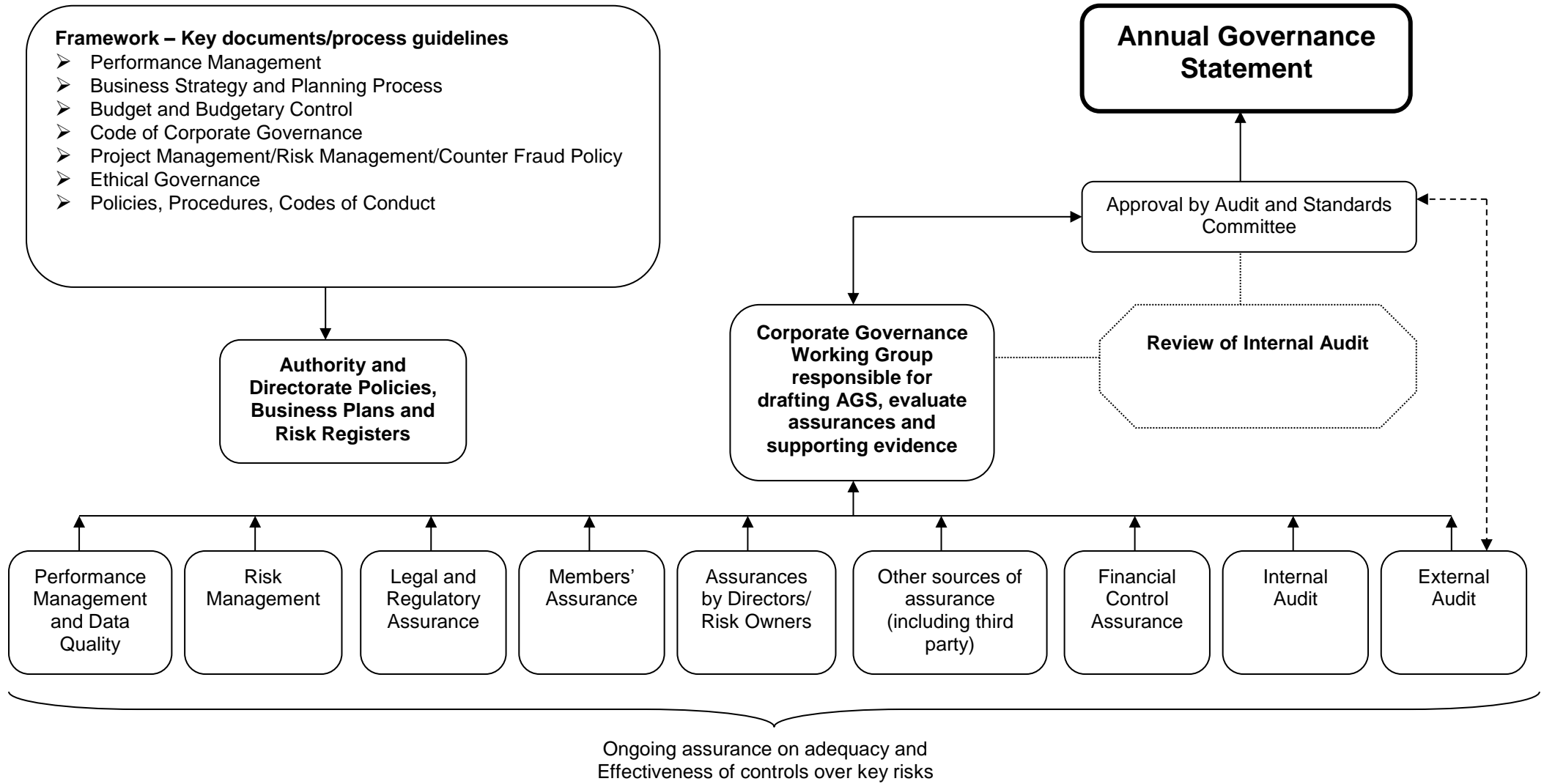**Section C**
- **The format and content of the Corporate Risk Register continues to be reviewed and updated.**

Section D
- **Our Audit and Standards Committee did not investigate any complaints about the behaviour of our elected members. The Ombudsman did not uphold any complaints about governance issues. No whistleblowing issues were considered by the Corporate Governance Working Group.**

THE ANNUAL GOVERNANCE STATEMENT - FRAMEWORK

Framework – Key documents/process guidelines
➢ Performance Management
➢ Business Strategy and Planning Process
➢ Budget and Budgetary Control
➢ Code of Corporate Governance
➢ Project Management/Risk Management/Counter Fraud Policy
➢ Ethical Governance
➢ Policies, Procedures, Codes of Conduct

Annual Governance Statement

Authority and Directorate Policies, Business Plans and Risk Registers

Approval by Audit and Standards Committee

Corporate Governance Working Group responsible for drafting AGS, evaluate assurances and supporting evidence

Review of Internal Audit

| Performance Management and Data Quality | Risk Management | Legal and Regulatory Assurance | Members' Assurance | Assurances by Directors/ Risk Owners | Other sources of assurance (including third party) | Financial Control Assurance | Internal Audit | External Audit |

Ongoing assurance on adequacy and
Effectiveness of controls over key risks

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:

- Be able to access more good jobs and feel the benefits of economic growth
- Be healthier and more independent
- Feel safer, happier and more supported in and by their community

The associated Business 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. Going forward, risks will be cross-referenced to our Commissioning Priorities, including a "Well Run Council".

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. Going forward, key controls will be cross-referenced to our Commissioning Priorities, including a "Well Run Council".

Stage 4 – Obtain assurances on effectiveness of key controls

As defined within Appendix 1 to this report and Section 4 of the AGS

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

As defined within Appendix 3 to this report and Section 4 of the AGS

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

As defined within the Corporate Risk Register and Section 5 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 of Strategy, Governance and Change – 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	Officers Code of Conduct
Code of Corporate Governance	Integrity Policy Statement	Record of Decisions
Committees (Scrutiny/Select / 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 and Resources Head of Paid Service	3
Business Continuity Framework	Staffordshire Prepared Website Business Continuity Website SCC Shared drive for Civil Contingencies Defined Work Programme approved	Testing of Business Continuity Plans Corporate Governance Working Group Staffordshire Civil Contingencies Unit Staffordshire Resilience Forum Exercise Triton	2
Code of Corporate Governance	Code of Corporate Governance Annual Action Plan	Audit and Standards Committee Assessment Local Government Finance Award for Corporate Governance (Former winners) Corporate Governance Working Group	1 (by virtue of the need to revise the content in line with the new CIPFA/Solace 2016 Framework)

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
		Monitoring Officer Director of Finance and Resources Head of Paid Service	
Committees	Scrutiny (Select) Committee Audit and Standards Committee	Scrutiny (Select) Committee Examples of effective scrutiny include Integration and the work on the Budget Audit and Standards Committee Delivery of training	3 2
Constitution	Constitution	Reviews overseen by the Audit and Standards Committee Strategy, Governance and Change resource Monitoring Officer	2
Corporate Risk Register	Corporate Risk Register	Audit and Standards Committee - Corporate Risk Register – Senior Leadership Team Corporate Governance Working Group	2
Customer Feedback Process	See Risk Category 1	See 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	2
Integrity Policy Statement	Integrity Policy	Development of E-Learning Fraud Awareness Tool	2
Member / Officer Relations	Member / Officer Relations	None Specific	2
Member Training	Member Training PDR system linked to political skills	Municipal Journal Councillor Development Achievement Award Member Induction Process Regular Training Events	3
Members Allowances Scheme	Members Allowances Scheme	Internal Audit Report Independent Remuneration Panel	3

Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
Members Code of Conduct	Members Code of Conduct	Overseen by Audit and Standards Committee No Member investigations by Audit and Standards Committee Member Training Monitoring Officer	3
Officers Code of Conduct	Officers' Code of Conduct	Annual Declaration of Interests	2
Record of Decisions	Record of Decisions	Strategy, Governance and Change resource	3
Risk Management Policy Statement	Risk Management Policy Statement	Corporate Risk Management Champions 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	Strategy, Governance and Change resource	3
Whistle Blowing Policy	Whistle Blowing Policy	Annual 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	1 (Limited) – The stated control requires major revision and/or there is little evidence of the effectiveness of the control framework. 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. 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.

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 2016/17."

John Tradewell
Director of Strategy, Governance and Change
Date: 22 July 2016

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 the Audit Commission.