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 – 2016/17

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 2015/16 AGS (Supporting Paper 2)

- Annual Audit Letter 2015/16 (Supporting Paper 3)

- Internal Audit Outturn Report 2016/17 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 was deferred pending evaluation of the new CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework 2016" the Corporate Governance Working Group was confident that current documents and processes represented an effective governance framework. A revised Code of Corporate Governance was presented to the Audit & Standards Committee at their meeting of 26th June 2017 which included a detailed action plan.
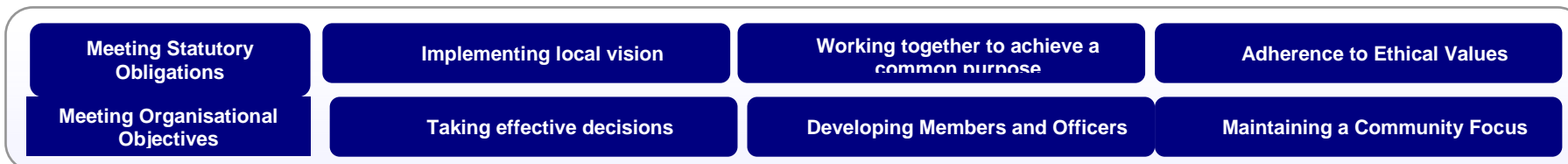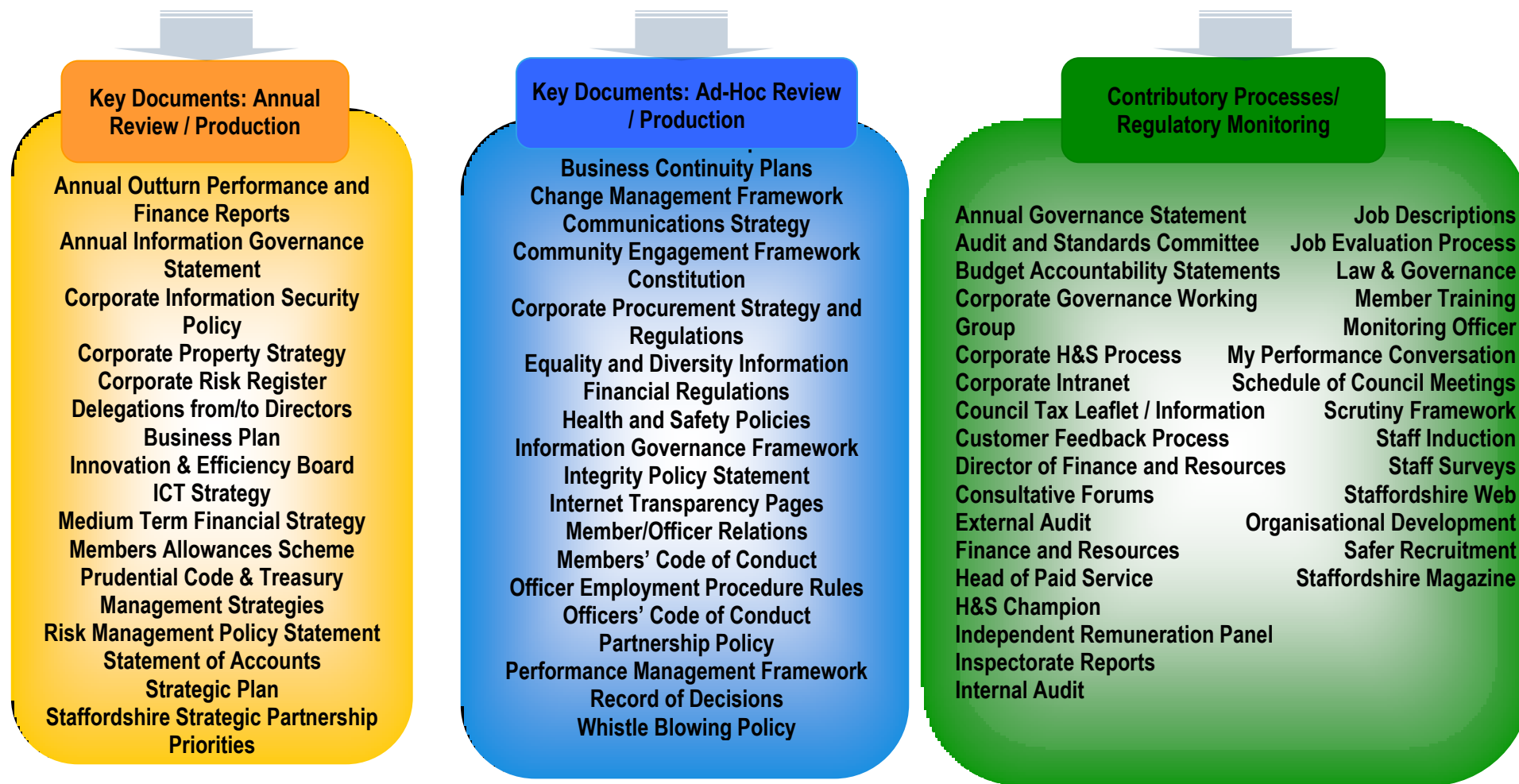
Attachments

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
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 Priorities

Key Documents: Ad-Hoc Review / Production

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

CORPORATE GOVERNANCE ACTION PLAN 2016/17

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 was included within the revised Code of Corporate Governance recently published. . Approved by the Audit & Standards Committee at the 26 June 2017 meeting.
Review Procurement Regulations and ensure consistency with commissioning intentions	Director of Finance and Resources	Approved by the Audit & Standards Committee at the 26 June 2017 meeting.
Review Financial Regulations	Director of Finance and Resources	These will need to be updated and approved as part of the implementation of the new Integra Financial System. 31 December 2017
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 – although an updated strategic risk register will be presented to the December 2017 Audit & Standards Committee.
Review Risk Management Policy Statement	Corporate Governance Working Group	Revised implementation date: 31 December 2017
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 2017
Review Corporate Property Strategy to include defining the role of the Strategic Property Partner	Director of Finance and Resources	Given recent changes in this area, a detailed review will be undertaken. 31 March 2018

SUPPORTING PAPER 2

PROGRESS AGAINST SIGNIFICANT CONTROL ISSUES CONTAINED WITHIN THE 2015/16 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 2015/16 AGS

Ref	Key Action	SLT Lead Officer	Progress
AGS 1	Seek to better join up health and social care to include development of the Sustainability and Transformation Plan (STP), Better Care Fund (BCF), and confirmation of the Delivery Vehicle for the Future Delivery of Adult Social Care	Director for Health and Care	The Sustainability and Transformation Plan (STP) submitted to NHSE and published 15 Dec 2016. It was rated by NHS England in July as 'Needs most improvement. Whilst SCC is a partner to the STP it has no jurisdiction over the organisation. BCF agreed for 2016/17. BCF guidance for 2017 – 19 received July 2017; working to agreed plan with CCGs for submission expected 11 September 2017. Cabinet decision made for re-ablement, OT and assessment & case management for people for long term conditions to be provided by SSOTP; and for assessment & case management for people with mental health problems to be provided by SSSFT for 2017/18 – 2019/20. A performance management framework is in place. Governance arrangements are in place through the Performance Management Group and the Cabinet to Trust Board.
AGS 2	Implement the County Council's 2016/17 spending review to address the funding shortfall as a consequence of failure to agree a Staffordshire BCF financial plan and to continue to transform services to address the continued financial pressures facing the council.	Director of Finance and Resources	The spending control process was implemented during 2016/17. The Medium Term Financial Strategy (MTFS) development process for 2017/18 onwards, has taken into account the continued financial pressures facing the Council including the Better Care Fund financial plan. This remains a key focus for the Council going forward.

AGS 3	Define and implement a programme governance structure to manage the decommissioning of SAP (the Council's financial and payroll system)	Director of Finance and Resources	The County Council will implement two new systems during 2017/18; a finance system called Integra and a HR system called iTrent (delivered through Liberata). To manage the transition, a governance structure has been established. The SAP Replacement Programme Board oversees the work of five steering groups – Integra Steering Group, SAP Business Warehouse Steering Group, Archiving Steering Group, Liberata Steering Group and the Shared Service Decommissioning Steering Group. Regular updates are reported to Cabinet, Senior Management and the Well Run Council (Officer and Member) Group.
AGS 4	Prepare for the May 2017 County Council elections and the new administration that will follow for 2017 to 2021	Director of Strategy, Governance and Change	Organisation awareness has been raised at SLT and the Business Brief. Pre-induction sessions have been delivered. The induction process for new members was developed and delivered. This included a new technology offer which has been rolled out together with training and support. Further development to support the new administration will continue to be developed and delivered in line with needs identified.
AGS 5	Monitor (in conjunction with partners), the opportunities for devolution from Government, particularly around Business Rates, and the EU in terms of the repatriation of funding and powers	Director of Strategy, Governance and Change	Devolution opportunities remain under review. The Council is participating fully in wider devolution initiatives such as the Midlands Engine, Midlands Connects and the Northern Gateway. In terms of a Staffordshire devolution proposal, as yet the offer from the Government around devolution has been limited to those areas willing to accept elected mayors and this is unacceptable to local authorities in Staffordshire, including the County Council, particularly as the powers under offer are not particularly attractive.
AGS 6	Review our Operating Model to make sure it continues to be fit for purpose, and, in particular, to assess the impact of four key enablers (Digital, Community Capacity, Demand Management and Commercialism) and their potential to deliver transformation benefits	SLT	A new operating model has been developed which is predicated on individuals and communities having capabilities and resources of their own to bring to the table, in combination with four key enablers, namely, Digital, Commercialism, Demand Management and People Helping People. The new model will enable the Council to reinvent how it commissions and provides services so that it has a sustainable and self-financing future.

Conclusion
The review of actions detailed within the 2015/16 AGS has confirmed that whilst significant progress has been made, for the purposes of the 2016/17 AGS key actions AGS 1, AGS 2, AGS 5 and AGS 6 should be carried forward.

SUPPORTING PAPER 3

ANNUAL AUDIT LETTER 2015/16

The Annual Audit Letter 2015/16 was submitted to the Audit and Standards Committee on 5 December 2016.

Extract from Annual Audit Letter

Our 2015/16 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2016.

- We concluded that the financial statements give a true and fair view of the financial position of the Council as at 31 March 2016 and of its expenditure and income for the year then ended.

- Based on the results of our work we concluded that the financial information in the Financial Report 2015/16 was consistent with the financial statements.

- As a result of our work, we concluded that you have put in place proper arrangements to secure value for money in the use of your resources.

- We reviewed the Annual Governance Statement and confirmed to the Audit & Standards Committee that it was not misleading or inconsistent with other information forthcoming from the audit or to our knowledge of the Council.

Conclusion (from SCC perspective)

The Extract from the Annual Audit Letter gives assurance in respect of the 2015/16 Financial Accounts and confirms an effective system of internal control.

SUPPORTING PAPER 4

INTERNAL AUDIT OUTURN REPORT 2016/17 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 26 June 2017. The Internal Audit Section gave us an 'adequate assurance' opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework, i.e. the control environment in 2016/17. Although the main financial systems element of the assessment has achieved the benchmark the direction of travel for a number of aspects has not been maintained particularly regarding the recovery of outstanding debt. The SAP financial system will be replaced during 2017 and a significant amount of work has been undertaken during the year to help support the design and implementation of a robust control environment which will continue in 2017/18. The changing payroll control environment within Schools has caused some problems in the second part of the year. A number of audit reviews during 2016/17 have identified high level issues, which has resulted in the system being awarded a limited assurance opinion. The nature of these reviews and those at draft report stage (namely Strategic Property Partner and Cyber Security) are currently being considered by management. It is important that the key actions identified are addressed and 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 2017/18 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).

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 2016/17.

SUPPORTING PAPER 6

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 2017 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.**
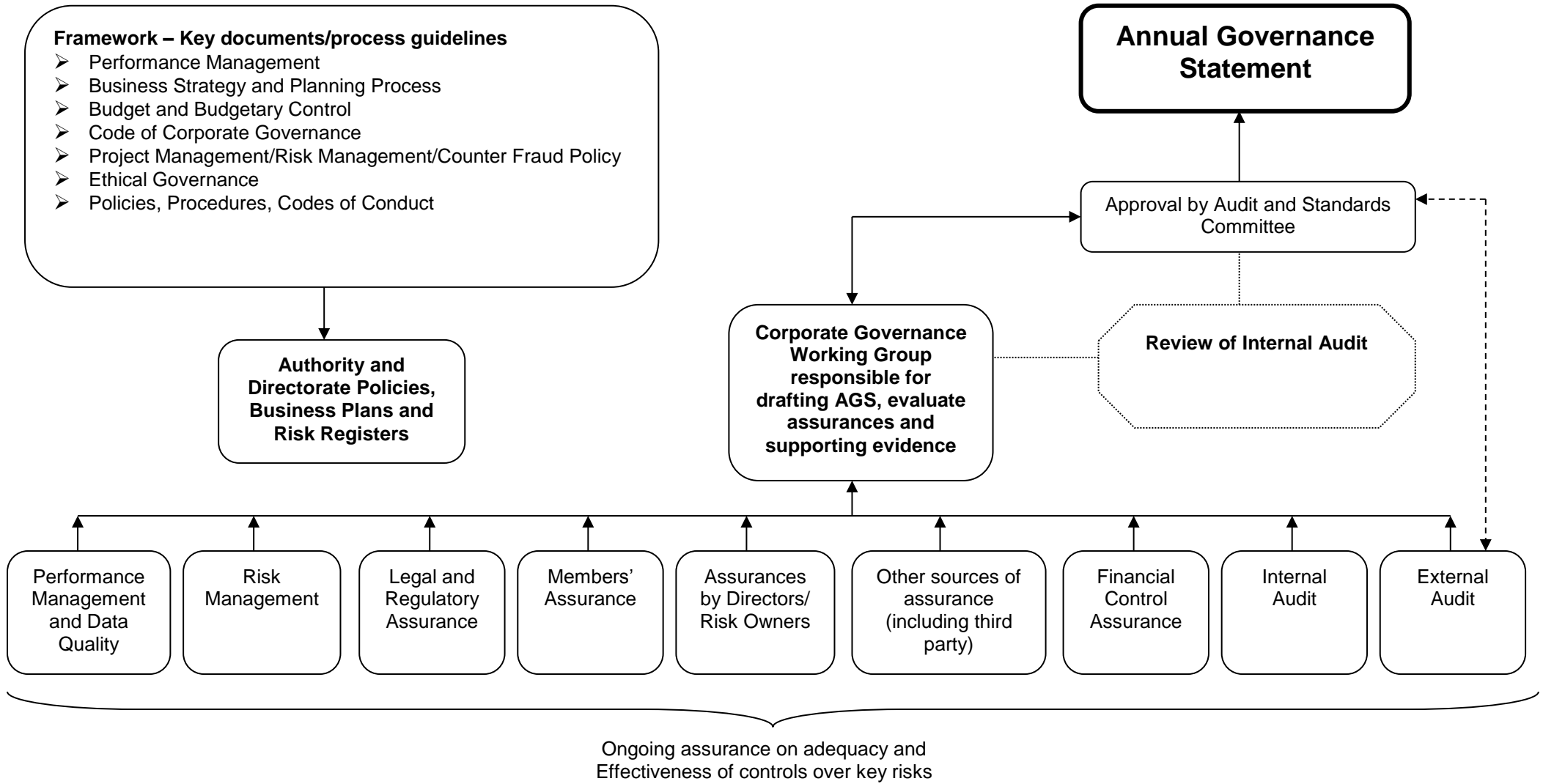
Section C
- **The format and content of the Corporate Risk Register continues to be reviewed and updated.**

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

Approval by Audit and Standards Committee

Authority and Directorate Policies, Business Plans and Risk Registers

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.

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.

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	2

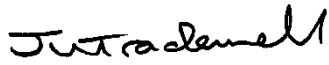| Key Control	Evidence of Control	Sources of Assurance (if available)	Control Rating
		Monitoring Officer Director of Finance and Resources Head of Paid Service	
Committees	Scrutiny (Select) Committee Audit and Standards Committee	Scrutiny (Select) Committee Examples of effective scrutiny include Integration 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	1
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	3

**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 2017/18."

John Tradewell
Director of Strategy, Governance and Change
Date: 31 July 2017

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.