Appendix 1

Staffordshire County Council

Annual Governance Statement 2021-22



Contents

		Page No
1.	Scope of Responsibility	3
2.	What is Governance?	3
3.	What is the purpose of a Governance Framework?	3
4.	What are the key elements of SCC's Governance Framework?	4
5.	Single Sheet Framework	5
6.	What are the key roles of those responsible for developing and maintaining the Governance Framework?	6
7.	What is the Annual Governance Statement ?	7
8.	What is a Governance Assurance Framework?	7
9.	What is the Council's Governance Assurance Framework?	8
10.	How has the Annual Governance Statement been prepared?	9
11.	How does the Council monitor and evaluate the effectiveness of its governance arrangements?	9
12.	Impact of COVID 19 on the Governance Arrangements in place	13
13.	How has the Council addressed the governance improvement actions from 2020/21?	15
14.	What are the Key Governance Matters for 2021/22?	22
15.	Certification	24

1. Scope of Responsibility

We are responsible for carrying out our business in line with the law and proper accounting standards, and for using public money economically, efficiently, and effectively, and accounting for it properly. We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money and an efficient and effective service.

To meet our responsibility, we have put in place proper arrangements for overseeing what we do (this is what we mean by governance). These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in good time, and in a fair, open, honest, and accountable way. We have approved and introduced a Code of Corporate Governance. You can get a copy of the code from our website at Local Code of Corporate Governance 2022.

This statement explains how we have followed the code and also meets the requirements of the Accounts and Audit Regulations 2015, Regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

2. What is Governance

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and accountable manner. Good governance leads to effective:

- Leadership and management
- Performance and risk management
- Stewardship of public money; and
- Public engagement and outcomes for our citizens and service users.

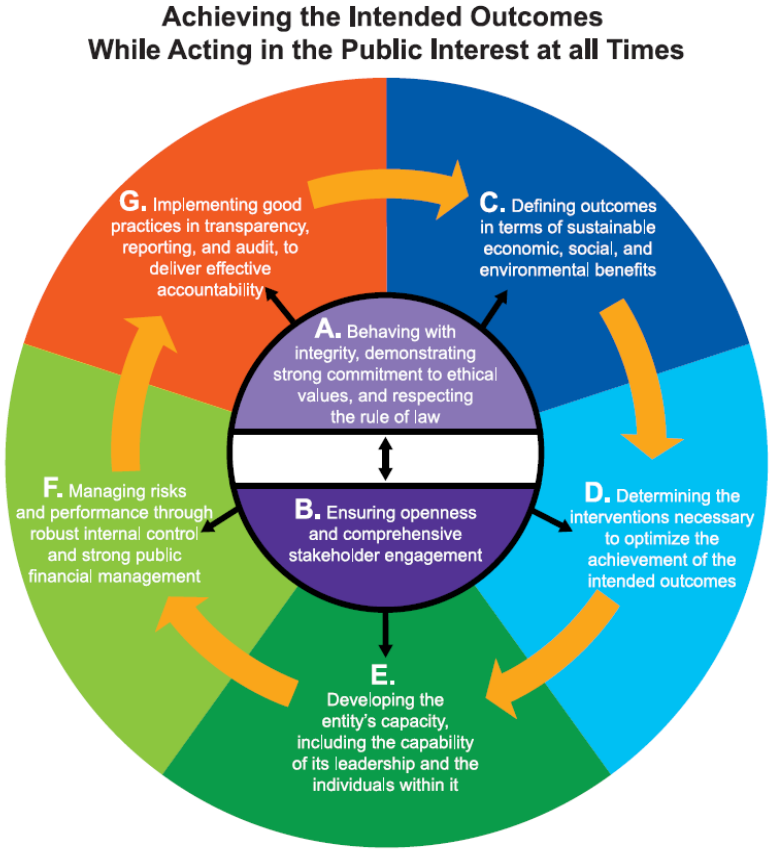
3. What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems, and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- Operates in a lawful, open, inclusive, and honest manner
- Makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently, and effectively
- Has effective arrangements for the management of risk
- Secures continuous improvement in the way that it operates
- Enables human, financial, environmental, and other resources to be managed efficiently and effectively
- Properly maintains records and information
- Ensures its values and ethical standards are met.

4. What are the key elements of SCC's Governance Framework?

The Council aims to achieve good standards by adhering to the seven code principles below, which form the basis of the Council's Code of Corporate Governance which can be reviewed at Local Code of Corporate Governance 2022 and Single Sheet Framework



The following page provides a summary of actions and behaviours undertaken by the Council in relation to each of the seven core principles and associated sub principles.

5. Single Sheet Framework

Governance Framework - Principles, Statutory Obligations and Organisational Objectives

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

Implementing Local Vision	Taking Effective Decisions	Working Together to achieve a common objective	Developing Members and Officers	Adherence to Ethical Values	Maintaining a Community Focus

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

Key Documents/Annual Review/Production

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

Key Documents Adhoc Review/Production

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

Contributory Processes/ Regularity Monitoring

- Annual Governance Statement
- Audit and Standards Committee
- Budgetary Accountability Statements
- Corporate Governance Working Group
- Corporate H&S process
- Corporate Intranet
- Schedule of Council Meetings
- Organisational Development
- Council Tax Leaflet / Information
- Staffordshire Web
- Customer Feedback Process
- County Treasurer
- Safer Recruitment
- Consultative Forums
- External Audit
- Finance Business Partners
- Learning Hub
- H&S Champion
- Independent Remuneration Panel
- Inspectorate Reports
- Internal Audit
- Job descriptions
- Job evaluation process
- Monitoring Officer
- WeTalk process
- Scrutiny Framework
- Staff Induction
- Staff Surveys
- Member training
- Law & Governance

6. What are the key roles of those responsible for developing and maintaining the Governance Framework?

The Council	• Approves the Strategic Plan • Approves the Constitution (including Procurement Regulations and Financial Regulations). • Approves key policies and budgetary framework
Cabinet	• The main decision-making body of the Council • Comprises nine Cabinet Members (including the Leader and Deputy Leader) and two Support Members who have responsibility for particular portfolios.
Audit & Standards Committee	• Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control • Promotes high standards of member conduct • Approves the Annual Statement of Accounts and Annual Governance Statement
Overview &Scrutiny Committees	• There are four Overview & Scrutiny Committees aligned to the Council's corporate priorities • They hold Cabinet and Officers to account and scrutinise performance
Chief Executive & SLT	• Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council in the development of future policy and budgetary issues • Oversees the implementation of council policy
Chief Financial Officer (Section 151)	• Accountability for developing and maintaining the Council's governance, risk and control framework • Contribute to the effective corporate management and governance of the Council
Monitoring Officer	• To report on contraventions or likely contraventions of any enhancement or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members • Overall responsibility for the maintenance and operation of the confidential reporting procedure for employees (whistleblowing) and contributes to the effective corporate management and governance of the Council
Internal Audit	• Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework • Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity • Makes recommendations for improvements in the management in risk
External Audit	• Audit/review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and concluding in the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion)
Managers **Employees**	• Responsible for developing, maintaining and implementing the Council's governance, risk and control framework • Contribute to the effective corporate management and governance of the Council • Personal Responsibility for their own actions and to ensure compliance with policies and procedures of the Council.

7. What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarizes the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment.
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period
- Provides details of how the Council has responded to any issue(s) identified in last year's governance statement
- Reports on any key governance matters identified from this review and provides a commitment to addressing them.

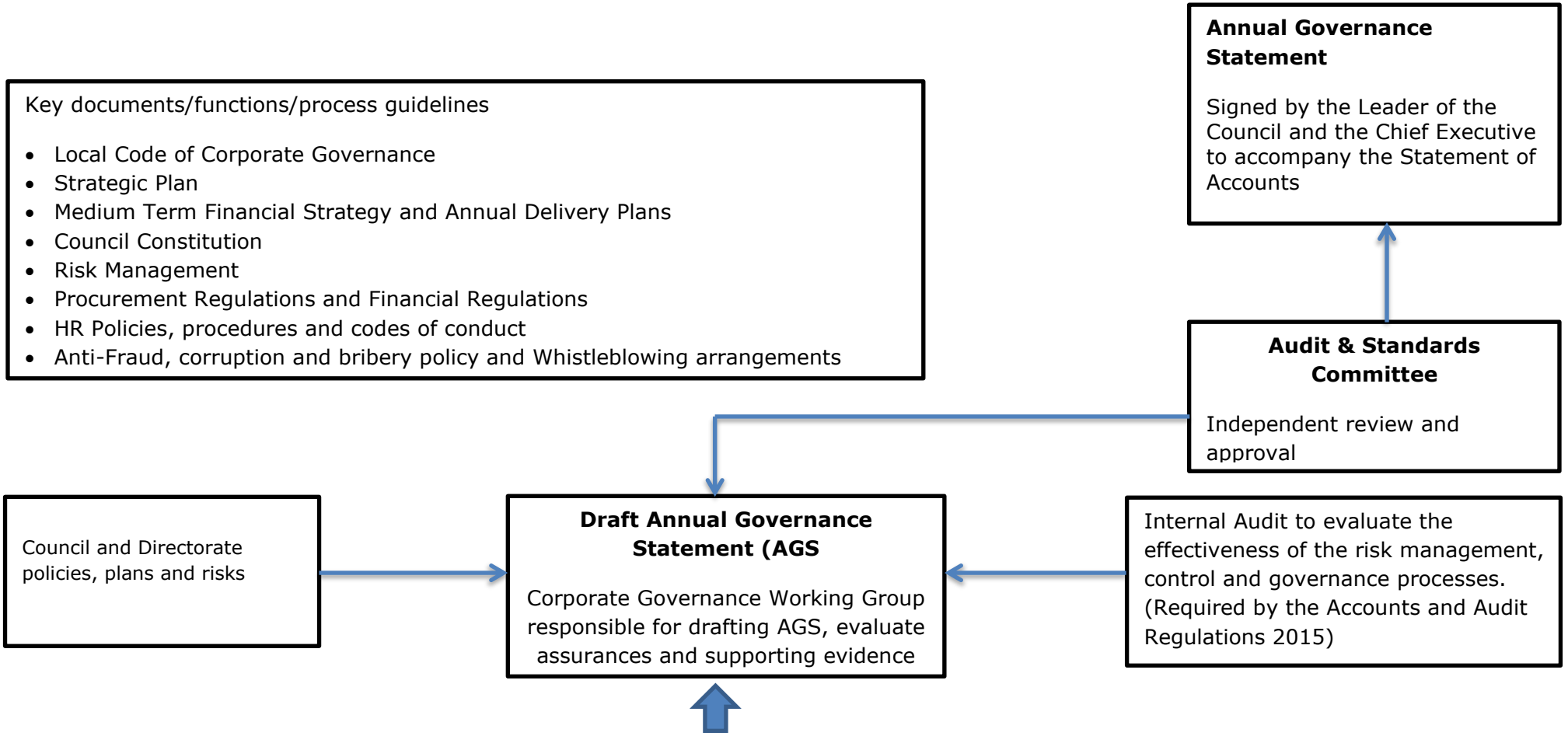
The Annual Governance Statement reports on the governance framework that has been in place at Staffordshire County Council for the year ended 31st March 2022 and up to the date of approval of the Statement of Accounts. It should be noted, however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. We have had the governance framework in place from 1 April 2021, and up to the date that we approved the Statement of Accounts.

8. What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An assurance framework is the structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.

9. What is the Council's Governance Assurance Framework?



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 (Section 151	Legal and Regulatory Assurance (Monitoring Officer)	Members' Assurance	Internal Audit	External Audit	Risk Management	Assurances by Directors/Risk Owners

10. How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

- Reviewed the Council's existing governance arrangements against the CIPFA/SOLACE 'Delivering Good Governance in Local Government framework – 2016 Edition good practice guidance'
- Assessed the Council's Local Code of Corporate Governance to reflect this guidance which includes the seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate robust governance arrangements are in place
- Evaluated the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.
- Considered what constitutes a significant governance issue for consideration of inclusion within the statement. Although the CIPFA/SOLACE framework does not prescribe set criteria, best practice in this area has been published. Following approval by the Corporate Governance Working Group the following has been agreed as a guide to inform the completion of the 2021/22 statement:

    - Does it undermine/threaten the achievement of organisational objectives?
    - Is it a significant failure to meet the principles (and sub principles) of good governance?
    - Is it an area of significant concern to an inspector, external audit, or regulator?
    - Has the Monitoring Officer, Section 151 Officer, Head of Internal Audit, or the Audit and Standards Committee recommended that it be included?
    - Is it an issue of public or stakeholder concern?
    - Is it an issue that cuts across the organisation and requires cooperation to address it?

11. How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements including our system of internal control. Our review of how effective our systems and procedures are, is supported by the work of the Corporate Governance Working Group and the Chief Internal Auditor's annual report. The review also includes comments made by the External Auditor and other review agencies and inspectors.

This review found that we had all the necessary parts of the framework in place. The areas that have led to this conclusion are described in more detail below:

- The annual review of the code of corporate governance has been carried out in line with the requirements of the 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.

- The review of actions aimed at improving our arrangements for corporate governance has confirmed that we have made good progress in addressing the key issues raised in the 2020/21 Annual Governance Statement. Where appropriate these have been carried forward into the 2021/22 statement.
- The Chief Internal Auditor's annual report 2021/22 which provides the independent assurance that key risks (financial and non-financial) are being adequately controlled and provides and opinion on the effectiveness of these arrangements. Internal Audit gave 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 2021/22.
- Fewer limited assurance system audit reports were issued during 2021/22 compared to the previous year and related to specifically (climate Change Action Fund; Agency Staffing Contracts including the appointment and payment of consultants and other self-employed individuals, and Infrastructure + Contract - asset data management. However, in contrast a large number of maintained schools, fourteen (1 High & 12 Primary and 1 pupil referral unit) received a limited assurance opinion following their compliance review. This represents a significant increase based on previous years. For those schools being awarded a limited assurance opinion, issues were found relating to number of financial administrative areas as well as school governance and several recommendations have been made to improve the control environment operating within schools for future years which are tracked until their implementation. The Council's schools' compliance programme continues to be supplemented by a programme of Continuous Controls Monitoring (CCM) that provides assurance over a greater volume of transactions across all Staffordshire Schools and audit findings will continue to feature in our communications with schools to reinforce lessons learnt throughout the year.

- It was reported to the Audit and Standards Committee as part of the 2021/22 Annual Outturn report that there is an effective system of internal audit in place, as measured against set conditions, which include:

  - How well the new Public Sector Internal Audit Standards together with the Local Government Application Note are complied with.
  - Results of the latest available External Quality Assessment performed by a representative of CIPFA which concluded Full Compliance with the Standards.
  - The main key performance results (i.e % completion of the audit plan and the results of the client satisfaction questionnaire).
  - Feedback from the County Treasurer (& s151 Officer).
- 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.

- During 2021/22 the Monitoring Officer and the Chief Finance Officer did not have to use their official powers.
- We have effective scrutiny processes in place through the Overview & Scrutiny Committee arrangements, the responsibilities of which are focused on the key priorities contained in the Strategic Plan.
- Arrangements to strengthen the arrangements for the production and updating of the Corporate Risk Register are progressing which has involved the implementation of an integrated audit and risk management system during 2021.
- The recommendations made within internal audit reports are implemented as agreed to strengthen the control environment. The process is overseen and monitored by the Audit & Standards Committee for high level recommendations.
- Two further Ofsted inspections have taken place since our Children's Services 'Good' rating back in February 2019 namely:

  (a) Local Area SEND Inspection - In January 2022, Ofsted and the Care Quality Commission (CQC) revisited the area of Staffordshire to decide whether sufficient progress had been made in addressing each of the areas of significant weakness detailed in the initial SEND inspection report letter published on 8 January 2019. The joint inspection concluded that sufficient progress had been made in addressing six of the eight significant weaknesses identified at the initial inspection. However, further improvement was required relating to (i) improving co-production, particularly with parents; and (ii) improving the quality of EHC Pans. Consequently, an Accelerated Progress Plan (APP) has been developed to demonstrate capability and capacity to deliver the required improvements. Delivery of the APP is overseen by the SEND and Inclusion Partnership Group and is subject of 6 monthly monitoring and review meetings accompanied by ongoing challenge and support from the national SEND and NHS England Advisers; and

  (b) Children's Services Focused Visit - In May 2022, a focused visit was undertaken of Staffordshire's Children's Services which looked at our arrangements for children subject to child in need and child protection planning. The inspection confirmed that assessments and plans were mostly effective in improving outcomes for children and that Leaders have led the workforce effectively through a structural transformation of services, with a focus on consistent relationships between social workers and children. Four areas for improvement were, however, 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 2021/22 a number of reports from Internal Audit (both 20/21 & 21/22 audits) have been reviewed by the Audit & Standards Committee in relation to the SEND service. In order to obtain assurance that the recommendations have been fully implemented Members have received regular updates regarding the progress of their implementation from the Assistant Director for Education Strategy and Improvement. Remaining actions outstanding have been incorporated into the APP which will be reported to the Audit & Standards Committee in due course.
- No governance related matters have been identified from work undertaken, in respect of the operation of the LEP.
- During 2021/22, the Audit and Standards Committee received a limited assurance report on cyber security governance and culture (2020/21 audit) which highlighted that several improvements could be made to the Council's cyber security arrangements including clearer designation of responsibility and accountability, better reporting on cyber security issues to senior management as well as improved recording and reporting on cyber risks. Subsequently, a further progress report on the implementation of audit recommendations was received by the Committee in February 2022 where it was confirmed that all but one recommendation had been implemented. The remaining recommendation relating to a new cyber security strategy and action plan has subsequently been implemented in September 2022 and the new Cyber Security Strategy 2022-2025 published.
- A limited assurance report (2020/21) was also presented to the Audit & Standards Committee in October 2021 which highlighted several improvements to the Council's Partnership governance and management arrangements which has since led to the development and implementation of a partnership toolkit and guidance which has been communicated council-wide.
- The Audit and Standards Committee received and considered the Annual Report on the management of elected member related complaints in July 2021 (for the period October 2020 to May 2021) and July 2022 (for the period June 2021 to June 2022), no major issues were identified in both reports.
- The LGSCO Annual Review Letter for 2021 was received in July 2021 and was considered by SLT and Cabinet together with the Audit & Standards Committee at its meeting in October 2021. The main actions highlighted, related to taking steps to improve response times to implement recommendations and agreed actions. The most recent LGSCO Annual Review Letter for 2022 was received in July 2022 and has again highlighted the need to action remedies on a more timely basis. In addition, a comment has also been made relating to the Council's late responses to Ombudsman investigation enquiries.
- The 2021/22 Information Governance Annual Report provided assurance regarding compliance with the Data protection Act 2018 and GDPR Freedom of Information Act 2000, Environmental Information Regulations 2004, and the Local Government Transparency Code 2014. This report was presented to the Audit & Standards Committee in April 2022 for consideration covering the period April 2021 to March 2022. During this reporting period, the Information Governance Team has developed an Information Management Strategy and Framework. The strategy will run between 2022 and 2024 and is

designed to support every member of staff with their individual responsibilities regarding the processing of personal data as well as implementing the new corporate file plan (previously referred to as the Electronic Document and Records Management System (EDRMS)). No major issues were identified from this year's report.

- In December 2021, eight Members of the Audit & Standards Committee were invited to form a Members-led working group to review and make recommendations to full Council, on the main body of the County Council's Constitution to better reflect current needs and practices. The working group met in January 2022 and the outcome of their review was reported back to the Audit & Standards Committee in February 2022. Various amendments to the Council's Constitution were considered and recommended which were subsequently approved by Full Council at its meeting held on 17th March 2022. Following the review of the Constitution in early 2022, the Council then focused its attention on improving awareness and understanding of the Scheme of Delegation (SoD) as well as to address audit recommendations previously made relating to the SoD. The review of the SoD commenced in April 2022 and was completed in June 2022. The outcome of this review was to (i) transfer the sub-Scheme of Delegation to the dedicated Decision-Making pages on Staff Space (Intranet); (ii) produce a new 'single source' Scheme of Delegations; and (iii) introduce a new easy to follow process and proforma with a clearly defined pathway for changes / additions to the SoD.
- Three whistleblowing matters have been considered by the Monitoring Officer in 2021/22 and two have been received subsequent to the production of the AGS in 2022/23). In relation to the 2021/22 cases, one related to the potential misuse of climate fund action monies by a county councillor. This matter was reported to the police but there was insufficient evidence to pursue a criminal offence. A second case related to failings in the SEND service. The investigation into this matter highlighted some performance issues which are being managed by the service. However, no impropriety or maladministration was found, and the Council had not disregarded its legal obligations. The third case received in 2021/22 related to a partnership and the use of a company by an officer involved within the partnership (not an SCC employee). No impropriety was found in respect of this matter. The two whistleblowing cases received in 2022/23 relate to operational issues at two satellite location across the County. One involves potential misappropriation of Council assets which is currently being investigated by Internal Audit. Where appropriate they are reported to the Corporate Governance Working Group for further consideration.

12. Impact of COVID 19 on Governance Arrangements in place

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

The Accounts and Audit (Amendment) Regulations 2022 were published in June 2022 and extended the reporting deadline for the 2021/22 accounts to 30th November 2022.

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

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

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

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

In terms of the overall financial position the County Treasurer states:

'The impact of the pandemic on the County Council is reflected in the considerable additional costs we have borne, particularly in Adults' and Children's Social Care, plus other services such as capital projects which have seen an increase in costs due to the safety measures required to work on site. The County Council has assisted the NHS with testing, tracing and contacting people and with the vaccination programme. The Council's many cost reduction programmes were also significantly impacted as staff focused on dealing with the pandemic. In turn, the County Council has received a large number of one-off grants from the Government for specific initiatives ranging from food parcels to outbreak control.

The financial situation in 2021/22 resulted in a small underspend which has been carried forward into 2022/23 to be spent on the significant inflationary pressures which are emerging. There is considerable uncertainty across the global economy and Staffordshire is not immune to the impact of that which is being felt in increased inflationary pressures across all services.'

13.How has the Council addressed the governance improvement actions from 2020/21?

The Annual Governance Statement 2020/21 contained the following key actions. Details of the issue and how it has been addressed during 2021/22 are provided below:

Review Reference	Governance Issue	Target Date	Progress as at October 2022
Annual Governance Statement 1	To continue to address the key concerns raised through the CQC/Ofsted report to ensure that the remaining governance elements within the SEND arrangements have been addressed as soon as possible.	Helen Riley – Director for Families & Communities[1] March 2022	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. Status: **Carried Forward as AGS 1**

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

Annual Governance Statement 2	Use the climate change strategic development framework in-conjunction with Partners in order to deliver on the commitments to make Staffordshire County Council sustainable and achieve net zero carbon emissions by 2050. The framework and action plans will continue to be reviewed over this period.	Darryl Eyers – Director for Economy, Infrastructure & Skills Ongoing	The Council has a 5 year action plan to deliver its climate change strategic development framework, this is reviewed annually and signed off by Cabinet (via corporate scrutiny), alongside an Annual Review of Performance. Performance is reviewed monthly via an officer steering group and Cabinet Member briefing, with a quarterly update through SLT/Cabinet via the corporate performance reporting process. Work with partners is managed through the Staffordshire Sustainability Board which was formally established on 19 January 2022 and reports into the Leaders Board, it is formally constituted with appropriate Cabinet Member representatives from the nine local authorities in Staffordshire. Through this group all Local Authorities have signed up to a vision and 10 commitments which went through SCC Cabinet on 15 June 2022. Status: Implemented
Annual Governance Statement 3	To ensure the continued delivery of a balanced MTFS set against the financial challenges emerging from the COVID 19 crisis. Adherence to the CIPFA Financial Management Code will continue to be evaluated to ensure full compliance by the required 21/22 deadline. Matters highlighted in the action plan from the self-assessment to be implemented,	Rob Salmon – County Treasurer Ongoing	The CIPFA Financial Management Code has been implemented in full with the matters highlighted in the action plan now implemented. Status: Implemented

Annual Governance Statement 4	To conclude the Children's operating system transformation project to fully implement the flexible and restorative practice model whilst developing services locally in-conjunction with partners.	Helen Riley – Director for Families & Communities March 2022[2]	The Transformation project was concluded in December 2021. We are now in the process of embedding the new structure and have recently completed our 6 month review of transformation, the findings of which was discussed at Scrutiny on 1st September 2022. Restorative practice continues to support all our work as the new structure and vision from transformation embeds. Whilst there is early assurance from audits and the Ofsted Focused visit held in May 2022 around the impact of our restorative approach within Children's Social Care (CSC), this approach needs to be well established across the partnership. We are working with all our partners to continue to deliver training and provide support to ensure this approach become an integral part of our delivery as a partnership. Status: Implemented
Annual Governance Statement 5	To monitor the arrangements surrounding the operation of the Staffordshire and Stoke on Trent Integrated Care Partnership to ensure that it facilitates relationships and generates new ideas to improve health and care outcomes and services. This will be covered as part of the work of the Health and Well-Being Board	Richard Harling – Director for Health & Care Ongoing	The Staffordshire and Stoke on Trent ICB was established on 1st July 2022. An update was provided to the Health and Care Overview and Scrutiny committee on 11th July 2022 The Integrated Care Partnership will be co-chaired by the Leaders of Staffordshire County Council and Stoke on Trent City

[2] Neelam Bhardwaja was appointed as Director for Children and Families from 20th June 2022

			Council and the ICB Chair. The ICB met for the first time in September 2022 and the operation of the partnership will continue to be closely monitored throughout 2022/23. Status: **Carried Forward as AGS 2**
Annual Governance Statement 6	To remain vigilant against the potential failure of key providers/suppliers and to ensure that suitable business continuity arrangements are in place to deal with an event, should it occur. 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	This remains actively under review and, among other things, is considered at every meeting by the Corporate Governance Working Group. **Status: Carried forward as AGS 3**
Annual Governance Statement 7	To continue to monitor the cyber security risks and threats to the Councils ICT network to ensure they are sufficiently protected and secured. To undertake the work that is programmed to enhance cyber governance arrangements currently in place.	John Tradewell – Deputy Chief Executive & Director for Corporate Services Ongoing	This work continues to be a priority and is regularly on the agenda of the Council's Senior Leadership Team for a review of the effectiveness of the Council's arrangements. To this end, the Council continues to invest in appropriate people, processes and tools to combat security threats. Furthermore, the reorganisation of SICT

			in 2021/22 also created a focussed team that is responsible for ICT Security. **Status: Carried forward as AGS 4**
Annual Governance Statement 8	To undertake a further debrief review on the additional phases of the Council's COVID 19 response in particular regarding the assumption made regarding community resilience; jointly conducted with the Civil Contingencies Unit.	John Henderson – Chief Executive and John Tradewell – Deputy Chief Executive & Director for Corporate Services March 2022	A thorough debrief on the Pandemic was taken to Cabinet on the 20th October 2021 in a report entitled "Impact of Covid-19 on SCC Communities, Economy and Organisation and Recovery Progress – Update October 2021 and Way Forward". This paper detailed the high-level impacts which the COVID-19 pandemic has had upon our communities, the economy and the organisation. It recognised that recovery from the pandemic would not be a traditional recovery and that it would take an extended period of time. The paper described the high level priorities identified for recovery across the County Council and our continued progress against these; and it detailed our on-going approach to the leadership, influencing and monitoring of the recovery process moving forward. The paper was thorough and detailed and contained a number of appendices which encapsulated the learning across all of the Council's operations. Status: Implemented

Annual Governance Statement 9	To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses in governance arrangements are exposed by isolated events. In particular to the governance weaknesses identified within the Internal Audit Outturn regarding maintained schools.	Chief Executive and Senior Leadership Team Ongoing	During, 2021/22 Internal Audit continued to provide assurance over key risks relating to the Council's business operations and to report upon these to senior management and members. The 2021/22 Schools' compliance programme continued to identify areas of non-compliance and lapses in internal controls. As a result, the school's compliance programme will continue to be supplemented with (i) a programme of Continuous Controls Monitoring and (ii) more regular communications to schools throughout 2022/23 to raise awareness of best practice and counter fraud measures. Status: **Carried forward as AGS 5**
Annual Governance 10	To consider the Governance Risk and Resilience toolkit produced by the Centre for Governance and Scrutiny as to how it may assist the Council in its quest to ensure that it has early sight of the identification of risks around governance and a clear focus on the cultural aspects of good governance.	John Tradewell – Deputy Chief Executive & Director for Corporate Services March 2022	Arrangements are being put in place to raise the profile of key governance processes and arrangements within the Council to be rolled out in 2022/23. Since the beginning of 2022, the County Solicitor and Member & Democratic Services Manager have attended several Team Meetings to present an overview of the Council's governance and decision-making. October 2022 is being badged as 'Governance Month'. This will include heightened visibility on the homepage of

			the intranet as well as briefings to SLT / WLT / OMT and a focussed session on the Scheme of Delegation to Business Brief. The MaDS Manager will also work with the County Solicitor on reviewing the CfGS Toolkit and sharing with the 'golden triangle' of Statutory Officers. Status: **Carried forward as AGS 6**
Annual Governance 11	To complete the update and review of the arrangements for the production and review of the Risk Management Policy and Corporate Risk Register.	Rob Salmon – County Treasurer. December 2021	An integrated audit and risk management system was purchased and implemented during 2021/22 and is to be rolled out during 2022/23 which will incorporate the corporate risk register. The Risk Management Policy and statement was drafted in during 2021/22 by the Head of Internal Audit & Financial Services and requires final endorsement by the CGWG and SLT before approval by the Audit & Standards Committee. Status: **Carried Forward as AGS 7**
Annual Governance 12	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 – County Treasurer. Ongoing	During 2021/22, the Internal Audit service procured and implemented an integrated audit and risk management system which includes an on-line portal to record and track all audit recommendations made in-year which is accessed by auditees to add updates about the status of recommendations assigned to them. It is intended that the reporting functionality from the on-line

			recommendation portal will be developed during 2022/23 to enhance the management information being reported to senior management and members. Status: **Carried Forward as AGS 8**

14.What are the Key Governance Matters for 2021/22?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2022/23. Those action points in italics are new for 2021/22.

Review Reference	Governance Matters identified and action to be taken	Target Date	Lead Officer
AGS 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.	March 2023	Neelam Bhardwaja Director for Children and Families
AGS 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 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	Ongoing throughout 2022/23	Richard Harling – Director for Health & Care
AGS 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.	Ongoing throughout 2022/23	John Tradewell – Deputy Chief Executive & Director for Corporate Services & Richard Harling – Director for Health & Care
AGS 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.	Ongoing throughout 2022/23	John Tradewell – Deputy Chief Executive & Director for Corporate Services
AGS 5	To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses in governance arrangements are exposed by isolated	Ongoing throughout 2022/23	Chief Executive and Senior Leadership Team

	events. In particular to the governance weaknesses identified within the Internal Audit Outturn regarding maintained schools.		
AGS 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.	Ongoing throughout 2022/23	John Tradewell – Deputy Chief Executive & Director for Corporate Services
AGS 7	To complete the update and review of the arrangements for the production and review of the Risk Management Policy and Corporate Risk Register.	March 2023	Rob Salmon – County Treasurer.
AGS 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.	Ongoing throughout 2022/23	Rob Salmon – County Treasurer.
AGS 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.*	*March 2023*	*Darryl Eyers, Director for Economy, Infrastructure & Skills*
AGS 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.*	*March 2023*	*Chief Executive and Senior Leadership Team*
AGS 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 develop a 'light touch' framework for the governance and oversight of the Council's external trading companies.*	*March 2023*	*John Tradewell, Deputy Chief Executive & Director for Corporate Services*

AGS 12	*To further embed the Staffordshire Leaders' Board, a new Joint Committee, with agreed priorities, which was established in December 2021.*	*March 2023*	*John Tradewell, Deputy Chief Executive & Director for Corporate Services*
AGS 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.*	*March 2023*	*Rob Salmon County Treasurer*
AGS 14	*To implement the necessary arrangements to prepare and provide assurance for the Care Quality Commission (CQC) Local Authority assessment framework commencing 2023.*	*March 2023*	*Richard Harling, Director for Health & Care*
AGS 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.*	*On-going throughout 2022/23*	*Neelam Bhardwaja Director for Children and Families*

15.Certification

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas outlined at paragraph 14. Over the next year we will be taking steps to tackle the issues listed above, so we can further improve our governance arrangements. We are satisfied that these steps will bring about the improvements that we identified in our review of effectiveness, and we will monitor these improvements as part of our next annual review.





Signed: _____ Signed: _____

Alan White
Leader of Staffordshire County Council

John Henderson
Chief Executive of Staffordshire County Council

Date: _____16th December 2022__

Date: _____16th December 2022_____