

ANNUAL GOVERNANCE STATEMENT 2020/21 DRAFT (UNAUDITED)

Scope of Responsibility

1. Darlington Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, the 2016 Edition. A copy of the Code is on our [website](#) at or can be obtained from:

Democratic Services
Resources Group
Town Hall
Feethams
Darlington
DL1 5QT
Tel (01325) 405995

4. This Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021 in relation to the publication of an AGS.

The Purpose of the Governance Framework

5. The governance framework comprises the systems and processes and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate leads the community. The governance framework is intended to help the Council plan and deliver sustainable economic, environmental and social outcomes while living within its resource limits and enable the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services and value for money.
6. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact

of those risks being realised, and to manage them efficiently, effectively and economically.

7. The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.

The Governance Framework

8. The key elements of the Council's governance framework are tabulated in Appendix A to this statement which also indicates their relevance to the following seven core principles that underpin good governance: -
 - (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - (b) Ensuring openness and comprehensive stakeholder engagement.
 - (c) Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - (d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - (e) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - (f) Managing risks and performance through robust internal control and strong public financial management.
 - (g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.
9. Each key element, as detailed in the Council's Local Code, has a nominated lead officer, outlines the duty to which it relates and includes three discrete types of action:
 - (a) Awareness - making sure that everyone who needs to know about the element does know.
 - (b) Monitoring - ensuring that the duty is carried out.
 - (c) Review - actions to ensure that the element is reviewed in the light of effectiveness and emerging good practice.
10. The governance framework continually evolves to embrace new areas of service and the associated controls, and also to encompass regulatory reviews/recommendations and the Council's financial management arrangements that conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The governance arrangements also conform to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.

Review of Effectiveness

Background

11. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by an Assurance Framework, documented in Appendix B, that includes the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Report, and also comments made by the external auditors and other review agencies and inspectorates.
12. This Statement has been prepared by a management group that has responsibility for evaluating assurances and the supporting evidence. The group comprises the:
 - (a) Chief Executive
 - (b) Group Director of Operations (S151 Officer)
 - (c) Assistant Director Law and Governance (Monitoring Officer)
 - (d) Head of Strategy, Performance and Communications
 - (e) Complaints and Information Governance Manager
13. The Audit Committee is responsible for the independent review and approval of the AGS following examination of the supporting evidence.
14. Assurance on adequacy and effectiveness is outlined under the following categories identified in the Council's Assurance Framework.

External Regulatory Reviews

15. Darlington Children's services are judged as requires improvement to be good. Ofsted Inspectors carried out a focused visit on 27 and 28 February 2019 looking at the arrangements for children in need and those subject to a protection plan, including children receiving help and support from the disabled children service, Life Stages Team. Ofsted will hold an annual conversation on the 3 June 2021 to receive an update on our journey of progress and on our response to safeguarding children during the pandemic.
16. Children's Services are a trailblazer for the National Strengthening Families Programme. Embedding the programme is continuing at pace and we are making good progress in most of our targets, albeit the lockdown impacting on implementation in quarter 1 2020/21. Formal oversight and input from the DFE and Leeds City Council is due to cease in the next few months and a sustainability plan has been developed. Changes in culture and practice are long-term goals that will continue to take place over the next couple of years.
17. Our learning culture approach has evolved with the quality assurance framework which now provides weekly live learning in practice for practitioners through case file audit and deep dive analysis of performance and practice. Our relentless focus on improving quality of practice continues throughout, with staff now demonstrating relational approaches to their work.

18. The journey to good is progressing at pace, enabling children to be safe and well cared for at home, wherever this is in their best interests. There is a stable and committed leadership team with strong political support. The pandemic has been challenging for the workforce and capacity has been maintained in all areas due to low numbers of sickness. There is work being developed to improve marketing and recruitment of social workers to ensure vacancies are kept to a minimum.
19. Children and families receive services at the earliest stage and at the right level to support their needs through our targeted and multi-agency Early Help offer. Young children develop well, are ready for education and where necessary are supported with targeted speech and language input. Throughout 2020, all schools remained open to children who had an Education and Health Care Plan (EHCP), had a social worker or were children of parents who were key workers. Attendance frequently exceeded national figures and the roll out of electronic devices was effective, but not without challenge. Schools report excellent attendance when restrictions have been lifted following the two major lockdowns. Children report their mental health, anxiety and maintaining health eating habits as the major impact of lockdown and supportive services have been put in place to provide, advice, guidance and interventions to children and young people.
20. Teesside Combined Family Court initiated a reduction of care proceedings in quarters.1 & 2 2020/21 with only emergency and high-risk cases being heard. The impact of which led to an increase in children in care numbers, as cases where children's care order's ready to be discharged, were not being heard. From October 2020 additional courts opened with a steady increase of hearings taking place, which in turn is contributing to the numbers starting to reduce.
21. Children in need of help and protection are safeguarded through effective COVID-19 risk assessments determining level of risk, implemented at the beginning of the pandemic. Children's services maintained a business as usual approach with the most change having taken place with regard to the introduction of virtual contacts, through modems such as WhatsApp and Zoom, enabling practitioners to keep in touch with children, young people and their families. Face to face and doorstep/garden visits have been maintained for the most vulnerable families, enabling the children to feel safe, when not able to attend school or other services as they would normally.
22. Senior leaders recognise there is more to do to ensure that the help and support provided to all children in need of help and protection result in sustained improvements in their lives. The impact of the pandemic in relation to trauma and loss is significant and training for practitioners in trauma informed work has begun, enabling them to provide effective support and interventions that will help maintain family resilience, security and stability.
23. The Local Authority operates four children's residential provisions, all of which have been inspected by Ofsted since April 2019 and are judged to be Good. There has been no Ofsted Inspection of any home throughout 2020 however, they intend on reinstating them 2021. Monthly independent virtual monitoring, under Regulation 44 has taken place, which evidences the high-level quality care given to our children and young people from the staff.

Corporate Planning and Performance Management Framework

24. The focus of the Council Plan is to provide a strategic vision for the council and in doing so identify the priority actions required to achieve the vision. Service plans are reviewed annually and are aligned with the Council Plan.

The Corporate Plan (now renamed to the Council Plan) was reviewed in 2020 and has subsequently been approved by Cabinet and Council. Performance measures associated with the plan are currently in development with an ambition to report performance against the plan twice a year (after Q2 and Q4).

25. Some performance measures reported to scrutiny committees have been reviewed throughout the year, but a full review is planned for 2021-22, subject to approval from committee chairs, in light on the new Council Plan, with a view to these being reported after Q2 and Q4.

Transformation Programme

Children's Transformation

26. The Children's transformation programme 2021 is Strengthening Families, centred on relational practice with children's services and partnership organisations working with children and their families to build resilience and ensure that where appropriate, children remain within their family home or are returned from local authority care to the family with strong extended and supportive family members. The programme continues to work toward achieving savings as determined by the Strengthening Family Programme plan and the MTFP with improvements to service delivery. The programme is supported by a Strengthening Families Board in conjunction with Leeds City Council , albeit input from Leeds is due to cease July 2021.

Adults Transformation

27. Significant progress has been made in delivering the Adults programme. The majority of the projects, that were originally identified, are now complete, or nearing completion, and will become 'business as usual'. There continues to be a focus on taking forward developments that will support the sustainability of the operating model in order to respond to challenges and maximise the opportunities that face the sector. The adoption of strength-based approaches that prevent, reduce and delay the need for formal support continues to be at the centre of service delivery. This approach promotes the independence and quality of life of adults living in our communities.
28. The Adults programme has been centred on the delivery of four strategic themes, which have now become embedded within the operating model: managing demand, maximising independence, self- directed support and a cost effective and sustainable market.

Education Transformation

29. A specific transformation programme for education services is now fully established. The programme seeks to develop high standard educational opportunities for all and ensure the needs of vulnerable pupils are met. A key element of the programme is developing a modern approach to the local authority role in education by driving change through strategic influence, highly effective partnership arrangements

and collaborative networks. The local authority has worked closely with Public Health on COVID-19 support for schools and the transformation programme has been refreshed to focus on transition for pupils, implementation of the SEND strategy and the importance of inclusion in schools.

30. Delivery of all three internal programmes are monitored via a Transformation Board, with monthly meetings and monthly reporting on progress in terms of delivery and financial savings.
31. The Education Strategy Group (ESG) provides overall strategic direction to educational partnership activity across Darlington, working with the Primary Headteachers Forum, the 11-19 Partnership, Vulnerable Pupil Panel and other partnership groups. It provides overall strategic direction for identified partnership work programmes and funded projects and promotes high standards and inclusive practice to support educational progress and outcomes for all, including the most vulnerable children, children with special educational needs and disabilities and children for whom the partnership has a corporate parenting role.

Better Care Fund (BCF)

32. The Better Care Fund (BCF) is a programme spanning both the NHS and Local Government which seeks to join-up health and care services, so that people can manage their own health and well-being and live independently in their communities for as long as possible. The BCF is pooled under a Section 75 agreement under the National Health Service Act (2006).
33. The Darlington BCF Plan is subject to a number of levels of scrutiny to ensure performance against the aims and objectives. These included regional and national scrutiny of quarterly submissions; assurance from the Darlington Integration Board with overall strategic ownership with the Health and Wellbeing Board (HWBB).
34. However, as a direct result of the COVID-19 pandemic national reporting against metrics and performance was suspended given the pressures across the system. 2020/21 was therefore a “roll-over” programme, with no changes to the metrics or national conditions.
35. The BCF national team announced on 1 April 2021, that there was a requirement for all HWBB areas to submit a summary of performance against the Better Care Fund. This is to be submitted by 24 May 2021, with agreement by HWBB that all national conditions continue to be met.
36. Operationally, the BCF is overseen by a joint Pooled Budget Partnership Board comprised of the Council and Darlington Clinical Commissioning Group (CCG) and Discharge Management and Intermediate Care Delivery Groups, whose membership includes County Durham and Darlington Foundation Trust (CDDFT), Primary Care Network, Tees, Esk and Wear Valley NHS Trust (TEWV), Darlington CCG and the Council. A joint Commissioning Group has also been established to explore areas for closer alignment between the Council and Darlington CCG.
37. Each BCF Plan is required to meet four national conditions in order for the grant to be agreed. These were met during 2019/20, as detailed below:
 - (a) Jointly agreed plan between the Local Authority and CCG

The 2020/21 Plan was jointly considered and agreed by all colleagues with virtual agreement by the Chair and Vice Chair of HWBB in May 21

- (b) Level of social care spend in line with minimum CCG contribution

Confirmation that minimum spend will be met

- (c) NHS commissioned out of hospital services (has the area committed to spend at equal or above the minimum allocation for NHS commissioned out of hospital services)

Confirmation out of hospital spend is at least above the minimum allocation

- (d) Implementation of the High Impact Change Model through managing transfers of care

A system wide self-assessment of the High Impact Change Model undertaken and agreed by all partners

38. In addition to the national conditions, there are four metrics against which performance is measured:

Metric	Definition	2020/21
Non Elective Admissions	Total number of specific acute (replaces General & Acute) non-elective spells per 100,000 population	Reporting requirements for suspended during 2020/21
Residential Admissions	Rate of permanent admissions to residential care per 100,000 population (65+)	Reporting requirements for suspended during 2020/21
Reablement	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Reporting requirements for suspended during 2020/21
Delayed Transfers of Care	Average Number of People Delayed in a Transfer of Care per Day (daily delays)	Reporting requirements for suspended during 2020/21

39. The BCF Plan 20/21 continues to build on the foundations laid in subsequent years, with a focus on the areas of unplanned hospital admissions avoidance in 65+, a joint approach to discharge management, reablement and intermediate care services, improving health in care homes and building a robust community and universal services offer in support of managing demand into the future. The BCF delivery plan also integrates with the Better Health Programme “New Models of Care”.

Additional Improved BCF Grant

40. The grant is subject to conditions which, in summary, are that the grant may only be used for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready and ensuring that the local social care provider market is supported.

Health and Safety Policy

41. The Health and Safety at Work Act 1974 (HASAWA) places a duty on employers to prepare a health and safety policy statement detailing the organisation's health and safety arrangements and revise the policy if circumstances change.
42. The General Statement of Intent 2020 poster received its annual review. The Statement is signed by the Managing Director and Leader of the Council and Cabinet member with the Resources Portfolio and displayed in Council workplaces.
43. The Council has responded to the challenges presented by Coronavirus and has been committed to providing a COVID-19 secure work environment and working practices to ensure the health, safety and wellbeing of our staff, service users and the public.
44. The Council has followed Government and Public Health guidance and developed and reviewed risk assessments and safe systems of work, consulting with employees and trade unions. Measures introduced to reduce and manage the risks associated with COVID-19 have included working from home where possible, protecting vulnerable workers, limiting contact with people, social distancing, increased cleaning and hygiene arrangements and the use of personal protective equipment and regular monitoring of the suitability and effectiveness of these measures.

Equalities Policy

45. Following extensive consultation, the updated Equalities Policy and objective (2018/22) was approved by Cabinet on 6 March 2018. The new objective is 'To remind all Members and staff of their duties under the Equality Act 2010, demonstrate how the Council has done this via training and engagement with services users and support organisations, and publicise the differences that this work has made'. The policy covers a four year period with a delivery plan being implemented during 2018/19. Following the election of a new administration in May 2019, responsibility for corporate equalities sits within the Stronger Communities portfolio.
46. A corporate trainer for equalities was appointed in September 2019, and a comprehensive training programme started at the end of 2019 aimed at all staff and Members. Despite unanticipated challenges presented by the COVID pandemic, the team has used innovative ways to enable the continuation of training to staff online (via MS Teams). One year into a 2 year training programme and just under 50% of the workforce has been through the training. Staff without access to MS Teams will receive face to face training as soon as it is safe to do so. An enhanced equalities training programme is in development for staff responsible for making key decisions that involve equality impact assessments.

Darlington Borough Local Plan 2016-36

47. The production of the Local Plan was paused due to COVID-19 in 2020 which prevented the Council being able to comply with the Local Plan Regulations 2012.

Following changes in Government guidance the Local Plan was deposited for inspection in December 2020. The Examination in Public commenced on 25th May 2021 for a 4-week period. We await the Inspectors comments.

Managers' Assurance Statements

48. Annual Managers' Assurance Statements (MAS) are an integral part of the framework that supports production of the AGS.
49. The Statements cover key aspects of the internal control environment on which assurance is required and were completed by all Assistant Directors and endorsed by the appropriate Director. The output from the exercise was reported to the Audit Committee in July 2021.
50. The 2020/21 MAS demonstrate a thorough review has been undertaken and generally an overall positive position was identified. While there were no common improvement themes highlighted in the 2020/21 MAS a number of improvements to process/controls were identified, including in many cases where the Assistant Director was already able to provide assurance in relation to a particular issue. These matters are to be progressed by Assistant Directors during 2021/22.

Financial Management

51. The Council's Medium Term Financial Plan (MTFP) incorporates a four-year financial plan. The Council sets its annual revenue budget, capital programme and council tax and treasury management strategy within this wider planning framework. The MTFP, annual budgets and council tax are developed in consultation with partner organisations in all sectors, residents and employees and are approved by full Council.
52. The Council has continued to face significant financial challenges over the last decade following the economic downturn and reduction in grant funding but to date has been successful in responding to these challenges and has a four year balanced MTFP. However, the Council is very aware there are still pressures to be faced particularly in respect of a growing elderly population and pressures in the children's services sector and now of course the impact of the COVID-19 pandemic. This has again changed the financial outlook and whilst at the time of writing there are signs of recovery the longer term effects cannot be predicted with accuracy particularly in regard to the overall economy and impact on service demand.
53. The Government have committed to cover the cost of COVID-19 and to date have awarded £8.7m in grant funding along with the Sales Fees and charges recovery scheme. This funding is welcomed and covers the pressures to date but we are mindful of the economic recovery and potential impacts on income in regards to Council tax collection and business rates. Due to the Council's robust financial management over the years there are general fund reserves that can be used to cover any deficit in 2021/22 if it occurs. However, if the impact continues into future years and no further assistance is forthcoming a full review of the MTFP will take place to look at how any gap will be met.
54. The MTFP is continually monitored and reviewed by officers and Members and is revised at least annually when an updated rolling four-year plan is produced.

55. Responsibility for controlling and managing budgets is delegated to directors and devolved to service managers. Financial management is closely integrated with service management and a quarterly update is taken to Cabinet and Economy and Resources Scrutiny Committee to enable them to monitor and scrutinise financial performance and service delivery.
56. The Council must comply with external financial reporting requirements, including publishing an annual Statement of Accounts ('the Accounts') and reporting to Central Government and other funding providers. The Accounts, which are prepared in accordance with relevant legislation and codes of practice, are approved by the Council's Audit Committee and are independently audited.
57. The Council's cash-flow, borrowing to finance capital expenditure and investments are managed through the Treasury Management Strategy, approved by full Council, and in accordance with legislation and codes of practice. The strategy and associated policies and procedures were reviewed in 2020. The Council manages its investments to minimise risk of losses, ensure funds are available when needed and achieve interest income.
58. Governing Bodies have formal responsibility for financial management within schools. A Schools Financial Value Standard (SFVS) has been designed by the Department for Education (DfE) to assist schools in managing their finances and to give assurance that they have secure financial management in place. The Governing Bodies of each local authority maintained school are required to undertake a self- assessment annually against the SFVS and send a copy, signed by the Chair of Governors, to the Local Authority Finance Division. All returns for 2019/20 have been received and overall, they reflect a positive position. Any remedial actions considered necessary are detailed together with an appropriate implementation date. The SFVS returns are used by the Local Authority to inform their programme of financial assessment and audit.

Counter Fraud

59. The Council's Anti-Fraud and Corruption Strategy reflects a zero tolerance approach and is based on a series of comprehensive and inter-related policies and procedures designed to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts.
60. The counter fraud arrangements are subject to annual review and the revised strategy was reported to the Audit Committee in October 2020. The review included self-assessments against the 'CIPFA Code of Practice on Managing the Risk of Fraud and Corruption' and the 'Local Government Counter Fraud and Corruption Strategy 2016-19' checklists; a summary of reported suspected frauds and whistle blowing cases; and an update on the National Fraud Initiative.
61. The review concluded that the Council's arrangements remain appropriate and fit for purpose when compared to national good practice guidance and that overall the number of reported frauds and whistle blowing cases remains low. However, the Council is not complacent and the position will be kept under review.

Risk Management

62. Risk is one of the elements of information incorporated into the Council's service planning process. Risk management is, therefore an essential element in establishing

policy, developing plans and enhancing operational management.

63. The risk management process involves identifying, analysing, managing and monitoring risks. The identification of risks is derived from a 'top down' (corporate) and a 'bottom up' (departmental) process of risk assessment and analysis resulting in coverage of the whole Council. The process prioritises the risks resulting in a focus upon the key risks and priorities. The risks are managed through the development of appropriate action plans, allocated to responsible officers.
64. The approach to, and the outcomes from, the Council's annual risk management processes for 2020/21 was reported to the Audit Committee in July 2021. The annual report detailed a number of risks as being above the 'risk appetite line' and a number of being removed, as a result of work undertaken to reduce them to an acceptable level. The report detailed generally positive progress upon delivery of action plans to mitigate key risks and outlined advances in the management of operational risks.

ICT

65. The Council's ICT Strategy focuses on three strategic priorities, namely ICT Governance and Service Development; ICT Strategic Architecture and Council Service Development and Transformation.
66. Implementation of the Strategy is led by the Chief Officers Board, chaired by the Council's Chief Executive, and acting as the Systems and Information Governance Group (SIGG). SIGG is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
67. The progress report to the Audit Committee in October 2020 documented positive progress across each of the three key programmes. This included reference to:
 - (a) Continued compliance to the Payment Card Industry Data Security Standards;
 - (b) Successful external audits by BSI to both ISO 27001:2013 Information Security Management System and ISO 9001:2015 Quality Management System standards;
 - (c) Achieving Full Assurance for all internal audits;
 - (d) The completion of the roll-out of the new wide-area voice and data network, providing increased speeds and lower latency, especially at remote sites.
 - (e) Upgrades to the Council's firewall and perimeter defence infrastructure to maintain high levels of security and protection.
 - (f) Upgrading all file servers to Windows 2019, giving improved file access response to users as well as other behind-the-scenes infrastructure management benefits.
 - (g) Improvements to the PC remote connectivity and security systems allowing continued secure access to Council systems and improved performance for home workers.
 - (h) The procurement and implementation of a new contact centre telephony system.
 - (i) A detailed review of the Council's ICT backup methodology.
 - (j) Continuing with the developments surrounding the migration and deployment of the Microsoft Office 365 suite of systems and associated platform across the Council.
 - (k) Completing the vast majority of a replacement programme for ageing Windows 7 desktops, with new Windows 10 devices being installed.

68. As regards Council Service Development and Transformation, the Council's Systems and Information Strategy complements the ICT Strategy by ensuring that investment in service-based ICT systems is correctly targeted, whilst the ICT Strategy is concerned with corporate systems and underpinning ICT architecture. Development and delivery of the Systems and Information Strategy is by SIGG who approve the work programme requested of the ICT Service, thereby ensuring that this finite resource is correctly targeted to meet the objectives of the Council as a whole.
69. Since the start of the pandemic, Xentrall ICT have continued to provide a full range of services and underpin the vital functions of the Councils, whilst in addition, stepping up and providing additional services specifically in response to the pandemic situation. None of what we have achieved collectively could have been done without the dedication of all the teams across Xentrall and the years of investment in our systems, processes and most importantly the professionalism and skill of our staff. So much effort and additional hours have been put in and we continue to do so to ensure everything runs as seamlessly as possible.
70. As well as supporting the original emergency planning aspects of the pandemic, Xentrall ICT are also integral in any recovery planning and activities taking place. ICT Services will continue to also help both Councils retain the benefits that have been gained through mass home working and to help exploit the technology enabled opportunities and innovation that have also arisen across services.

Information Governance

71. The Council has an Information Governance Work Programme shaped by a number of external information assurance requirements that represent good practice and have common objectives, namely compliance with information related legislation, approval to use essential external party systems and services and improvement in service delivery.
72. Implementation of the Programme is led by the Systems and Information Governance Group (SIGG) which is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
73. The update report considered by Audit Committee in April 2021 noted the delivery of our information governance programme has provided the assurance required to reduce our information risks to an acceptable level. While that is the case it must be recognised that the data processing activities of the Council continually evolve and must be kept under review and that the processes implemented by the Council include review mechanisms to ensure this takes place.
74. Ongoing work includes:
 - (a) Preparing for data protection after the EU Exit transition period ends.
 - (b) Review of the Council's Information Asset Register (IAR) and Privacy Notices.
 - (c) Provision of advice to ensure the Council's CCTV is compliant with the General Data Protection Regulations/Data Protection Act 2018 and the Protection of Freedoms Act 2012.

- (d) Work to achieve our target for the completion of on-line mandatory information governance training courses.

75. The area of highest priority in the information governance programme is:

- (a) Preparing for data protection after the EU Exit transition period ends.

Capital Project Management

- 76. The Council has an established dedicated Capital Projects Team that operates to a consistent capital project management methodology. This methodology has been developed and is used across the Council on significant projects. Projects can be assigned to the Capital Projects Team for delivery or delivered under the principles and methodology.
- 77. The Asset Management and Capital Programme Review Board (AMCPRB) perform a strategic gate-keeping role on capital projects and considers their governance arrangements. The Board is chaired by the Group Director of Place with membership from chief officers with responsibility for capital projects, Council assets and those with specific technical, financial and legal expertise to add value to challenge and monitor the programme.
- 78. The Capital Projects Team has responsibility for the coordination of a Project Position Statement (PPS). The PPS provides a single source of key information relating to the Council's commitments on capital projects and programmes monitoring projects that deviate from agreed tolerances in relation to time, cost or quality to enable proactive management. The PPS is reported to the AMCPRB at every meeting and quarterly to Cabinet.
- 79. Further enhancement to the project management systems are underway and a proprietary system is being considered within Xentrall's ICT Work Programme. The system is currently being tested by the Capital Projects Team. Once the testing phase is complete a roll-out will be scheduled with a refresh of the methodology and training on use of the electronic system.

Internal Audit

- 80. The Council's Internal Audit Division operates to the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note.
- 81. The Annual Internal Audit Plan is risk-based and sets the foundation for an objective review of key controls and procedures operating within the Council. The Audit Committee approves the Annual Internal Audit Plan and receives progress reports against the Plan during the year, including any significant matters arising or other issues of concern, and Internal Audit's Annual Report.
- 82. Internal Audit concluded in their Annual Report for 2020/21, reported to the July 2021 Audit Committee, that overall the Council continues to operate within a control environment that is generally sound.
- 83. A Shared Internal Audit Service with Stockton Borough Council commenced on 1 April 2017, following the agreement of both Councils. The intention was to future proof the

important functions that the service provides while enabling a saving to be achieved, not least in management costs. In particular, the arrangement will enhance the resilience of the service.

84. The Audit Charter and Audit Plan 2021/22 for the Internal Audit Shared Service were approved and its Quality Assurance and Improvement Process noted at the July 2021 Audit Committee.

Annual Review of the Effectiveness of the System of Internal Audit

85. A review of the effectiveness of the Council's system of internal audit was carried out by Middlesbrough Council Internal Audit Service as agreed by Audit Committee in March 2018. The findings of the review were considered by the Audit Committee in July 2018.
86. The review team concluded that the Council has an effective system of internal audit.
87. The internal review was concluded on a self-assessment basis and concluded that the service complies with the Public Sector Internal Audit Standards.

Xentrall-Shared Service Partnership

88. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and is now in its twelfth year. The Xentrall services are:
- (a) ICT (strategy and operations)
 - (b) Transactional HR (payroll, recruitment, sickness absence)
 - (c) Transactional Finance (creditors, debtors, banking, schools finance)
 - (d) Design & Print (professional buyer, in-house design and print)
89. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership has delivered all these plus additional efficiencies and benefits and has now achieved £17.2m of savings. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the life of the partnership.
90. This significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both Councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.
91. In recognition the on-going success of this public/public partnership, Members will recall that in 2015 they agreed to amend the original ten-year period into an on-going rolling agreement, which continues to this day.

Partnership Working

92. In March 2007, Cabinet adopted a partnership working toolkit to provide a means to ensure that the Council's resources were effectively employed, the performance of each partnership was monitored and adequate governance arrangements were in place. As part of the toolkit, a clear definition of a partnership and those classed as significant was documented and this included whether the arrangement was a major contributor

towards achieving the Community Strategy objectives. The toolkit that comprises a questionnaire is completed by the Council Lead Officer for each partnership.

93. In July 2021 Council considered a report on changes made to partnership working in Darlington. It detailed that it had been agreed by partners that the Partnership Board cease and be replaced by a Public Sector Executive Group, with other partnership arrangements to be developed. Also, the report recommended as a result of the change in circumstances that the Sustainable Community Strategy (SCS) cease to be used as a strategic lead for the Borough and that the lead is provided to partners by the Council plan. The Public Sector Executive Group constitutes a significant partnership and will be subject to the governance arrangements set out in the Partnership Toolkit.
94. There are annual reviews of significant partnerships led by the Darlington Partnerships Director based upon completed questionnaires. The outcomes from the latest review were reported to the Audit Committee in July 2021.
95. The report summarised the range of partnership working undertaken by the Council and generally, an overall positive position on outcomes and governance arrangements was depicted.
96. Partnership Lead Officers recognise and accept that ensuring governance arrangements remain relevant is an ongoing process. For example, Terms of Reference are reviewed periodically to ensure that they remain fit for purpose and risk registers are regularly updated to reflect emerging risks and changes in circumstances.
97. The toolkit has been effective in identifying high level concerns of the significant partnerships. Reduction in funding and the consequent effect on capacity are the predominant issues raised by Lead Officers that have potential implications for the effective operation of the partnerships. Each partnership which has indicated this as an issue is monitoring closely.

Commissioning

98. The Commissioning and contracts team continue to support the delivery of a sustainable and diverse care market across Adults and Childrens social care, ensuring services are safe, affordable and sufficient to meet the needs of the most vulnerable people in the community. This was a particular focus during the COVID-19 emergency period, and was tested and assured nationally and regionally through: the NHS England Capacity Tracker; the regional ADASS (Association of Directors of Adults Services) group; the regional ADCS (Association of Director for Children's Services) group, and the North East Commissioning groups for both Children and Adults.
99. During the COVID-19 pandemic, Commissioning and Contract officers have worked with health and public health partners to support providers with implementing Government Guidance around infection control, Personal Protective Equipment (PPE) usage, testing regimes, visiting arrangements and the vaccination programme.
100. Officers have also continued to work with safeguarding and CQC colleagues to ensure services remained safe and provided good outcomes for people.
101. Providers have been well supported during throughout this challenging year through: the development of the Care Home Support Plan; frequent contact calls and provider forums, and timely allocation of additional financial support including the Infection

Control Fund, Workforce Capacity Fund, Rapid Testing fund and local sustainability support arrangements .

102. Local commissioning arrangements have proven to be effective. Hospital discharges have been well supported with no delayed transfers of care being experienced, none of our locally commissioned care homes have closed, providers have continued to deliver care and support services throughout the emergency period (albeit using different innovative approaches where necessary) and children's commissioned provision continues to be resilient.

Joint Ventures

103. The Council is investor and shareholder of a number of joint venture companies delivering a small housing developments within Darlington and the wider North East region. Darlington, following approval by Cabinet on 8 November 2016 and formally procured its joint venture partner on a framework basis to secure upcoming developments as they arise as an OJEU procurement process concluded in September 2017.
104. The Council has entered into seven joint venture companies approved by Cabinet (on the dates shown) at Stag House Farm (April 2018), Heighington (June 2018), Middleton St George (January 2019), ESH/DBC (December 2019) and Neasham Road (September 2020).
105. The first JV at Eastbourne has now completed with the loan repaid and profits realised.
106. The risks and governance safeguards in place with respect to joint venture working include internal and company audits, restriction on banking facilities, monthly progress reports and quarterly board meetings. Further details are contained in the Assurance Framework at **Appendix B** of this report.

Member Standards

107. In 2020/21 there were 6 complaints received against Members if the Council (there were no complaints received about members of parish councils). A total of 10 complaints were received in 2019/20 (with 1 of those concerning a Parish Council member).
108. This is considered a relatively low number given the number of Members we have, and the range and volume of matters that Members are involved with.
109. The Independent Person continues to be involved at the assessment stage of complaints handling and the process of liaison between her and the Monitoring Officer in considering the initial assessment of complaints is working well.
110. The Audit Committee has responsibility for ethical values as part of its remit. This includes reviewing Ethical Health Indicators across a range of activities in order to identify any peaks in activity that could indicate areas of possible concern.. An update was planned for April 2020, but the meeting was postponed due to COVID-19 to September 2020. An update report about member standards issues and also ethical indicators were presented to the Audit Committee in September 2020. No particular issues of concern arose from variations in the indicators. General information was also

presented on the work of the Committee on Standards in Public life and the Local Government Association.

111. The Audit Committee reviewed the approach of the Council against best practice recommendations that had been drawn up by the Committee on Standards in Public Life. Following this review the Council now publishes the register of gifts and hospitality, for both members and officers on the Councils website. Of note has been the work done by the LGA on drafting a model Code of Conduct for Members that Councils could adopt. Because of COVID-19 it was decided to further review this against the Councils Code of Conduct when time allows.
112. In the summer of 2020 members were advised to review their register of interests forms, which had been completed following the May 2019 local government elections, with updated Register of Interests forms then being uploaded onto the Council's website.
113. The Monitoring Officer continues to provide advice to Members on interests on an ongoing basis and Members do self-identify their concerns. The Monitoring Officer also raises issues with individual Members ahead of meetings as required. Compliance with the advice given by the Monitoring Officer is good.

Economy and Resources Scrutiny Committee

114. Scrutiny forms an important part of the Council's governance arrangements by providing independent examination of executive roles. The Economy and Resources Scrutiny Committee has responsibilities for examining the Council's arrangements for financial planning, performance and service delivery, project and asset management and procurement and contracts. The Committee develops and implements an annual work programme to manage its continuing oversight role and undertake specific pieces of work.
115. During 2020/21²⁰¹ the Committee was involved in scrutinising the annual review of the MTFP and held a number of special meetings to consider the proposals made, both for its own areas of responsibility and also responses and detailed work from all other scrutiny committees, from which it made recommendations to Cabinet in February 2021 to inform their deliberations. Economy and Resources Scrutiny will continue to lead on monitoring and scrutinising the budget and MTFP and assist with the implementation and development of the required savings.

Public Health (COVID-19)

116. The pandemic emerged in the early part of 2020 with the first lockdown implemented on 23 March by the Government. Throughout the past year there have been different waves of infection with different restrictions and lockdowns being applied at different times in response to the way that the infection was spreading and affecting our communities.
117. The Council has been making decisions day by day and also strategic decisions to respond to and implement national guidance and legislation. Throughout this pandemic the Council has continually worked to reduce transmission and protect staff and residents and maintained a broad range of essential services to provide support those who need our help.

118. Through new and existing legislation, the Council has provided a local leadership role and implemented key programmes in response to the ongoing COVID -19 pandemic. This included providing new services, changing the ways of working for staff, supporting and applying public health measures, taking regulatory action, supporting individuals and communities and supporting local businesses. These programmes have all been implemented in line with the appropriate legislation, national policy frameworks, government guidelines and clinical guidance.

Business Continuity

119. The Council's Business Continuity Management System ensures that the Council can manage the response to a business interruption. Examples of this include the loss of buildings, loss of IT function, loss of utilities, loss of communication and loss of staff. Through a process of Business Impact Analysis a series of Business Continuity Plans are maintained to ensure the Council's essential services are prepared for a business interruption. Business continuity has been implemented during the pandemic and has worked successfully with the Council still being able to deliver services to the public despite the restrictions in place.
120. The Business Continuity Management System is now embedded into the Council. Business Continuity Plans are monitored as part of the Local Code of Corporate Governance and are a regular agenda item at Chief Officers Board (COB) Meetings. Individual Business Continuity Plans are regularly updated to take into account business changes and the response to actual business interruptions and are available to view on the Council's intranet. A regime of testing was underway in which all plans were to be tested to improve their effectiveness when the global pandemic hit.

Home working

121. The Council already had an established agile working policy with a significant number of staff working on laptop and mobile devices. As detailed in paragraph 74 the Council quickly rolled out additional laptops, PC's and dongle devices allowing them to be taken home and linked to the Council's network. The authority has always worked on an outcome/output basis and productivity is not measure on where the employee is based but on what they deliver. In fact in some areas productivity increased with reduced travel time to and from work and to and from meetings. Regular supervisor and team meetings were held to ensure work kept on track and to support employee wellbeing. The rapid rollout of Microsoft Teams made this task far easier and given the success, home working will certainly be more prolific in our conversations on our estate moving forward. There was also a significant amount of support for employees in regard to their wellbeing with regular communications, signposting and FAQ's available.

External Audit

122. The Council's external auditors Ernst and Young LLP (EY) are expected to give an unqualified opinion on the Council's 2019/20 accounts by the target date of 30 September 2021.
123. The external auditors are expected to issue an unqualified value for money conclusion on the adequacy of the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources.

124. EY review the AGS to consider whether it complies with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to them. They are expected to confirm that they found no areas of concern in this context.
125. The auditors are also required to report to management and the Audit Committee any significant deficiencies in internal control identified during their audit. EY have not raised any significant matters in this regard.

Action Plan 2021/22

126.

No.	Action	Responsible Officers
1	Growing Darlington's Economy.	Chief Executive Assistant Director, Economic Growth Group Director of Services
2	Maximise the potential of our young people.	Group Director of People Assistant Director, Children's Services Head of Education and Inclusion
3	Supporting the most vulnerable in the borough.	Group Director of People Assistant Director, Children's Services Assistant Director, Adult Services Darlington Partnership Director
4	Working with communities to maximise their potential.	Chief Executive Assistant Director, Economic Growth Darlington Partnership Director
5	Ensure we have an engaged motivated workforce who are proud to serve the borough and an accessible, effective and engaged Council.	Chief Executive Group Director of Operations Assistant Director Resources Assistant Director Housing and Revenues
6	Work towards delivering the Council's commitment to becoming Carbon neutral by 2050	Chief Executive Assistant Director, Economic Growth
7	COVID-19 – plan the Council's contribution to economic and social recovery <ul style="list-style-type: none"> Utilise lessons learnt from the pandemic response to help shape future responses and service delivery. 	Chief Executive Directors

127. An update on the 2020/21 action plan is contained in Appendix C.

Conclusion

128. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee. In conclusion, we are satisfied the Council has robust governance arrangements in place and while there are currently no governance issues we are committed to the continuous improvement of the system.

Signed

Leader of the Council

Signed

Chief Executive

APPENDIX A

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Council Plan		✓	✓	✓			✓
Constitution	✓	✓					✓
Corporate/Service Planning and Performance Management Framework		✓	✓	✓	✓	✓	✓
Communications and Engagement Strategy	✓	✓	✓	✓			✓
ICT Strategy			✓		✓		
Workforce Strategy	✓				✓		
Schedule of Council Meetings		✓					✓
Council Procedure Rules	✓	✓					✓
Record of Decisions		✓	✓	✓			
Partnership Working Toolkit	✓	✓	✓	✓	✓	✓	✓

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Code of Conduct for Members	✓	✓					✓
Members Induction and Training Programme	✓	✓			✓	✓	✓
Code of Conduct for Employees	✓	✓					
Officer and Member Protocols	✓				✓		
Confidential Reporting Policy	✓					✓	✓
Code of Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Risk Management Approach				✓		✓	✓
Anti-fraud and Corruption Policies	✓					✓	✓
Capital Projects Methodology		✓	✓			✓	
Information Governance Policies	✓	✓				✓	✓

Document/Function	Core Principles of Corporate Governance						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Procurement Strategy	✓	✓	✓			✓	
Contract and Property Procedure Rules	✓	✓	✓			✓	
Medium Term Financial Plan/Budgets		✓	✓	✓		✓	✓
Treasury Management Framework						✓	
Annual Statement of Accounts		✓				✓	✓
Financial Procedure Rules	✓	✓				✓	✓
Scheme of Delegation		✓			✓		✓
Complaints Process	✓	✓					✓
Equalities Policy		✓	✓	✓			
Business Continuity Plans		✓				✓	
Health and Safety Policy		✓				✓	✓

APPENDIX B**Assurance Framework**

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Corporate Planning and Performance Management Framework inadequate/ineffective	Chief Officers Executive	<p>Performance clinics held between the Chief Executive, Director and Assistant Directors are arranged at regular intervals.</p> <p>Performance data is gathered from various sources and reviewed by the Assistant Director and relevant Director in advance of the clinics.</p> <p>Clear definitions for indicators are in the process of being established.</p>	Performance indicators are reviewed by Internal Audit when individual service areas are audited.	Baskets of performance indicators reported to scrutiny groups twice a year (Q2 and Q4)
Equalities Policy inadequate/ineffective	Chief Officers Board	<p>Indicators relating to equalities are regularly reported to Chief Officers Board.</p> <p>Corporate Equalities Group consisting of equalities advisors (appointed by Assistant Directors) and chaired by Head of Strategy, Performance and Communications meet quarterly to monitor and report on equalities related performance indicators.</p>	Where appropriate, equalities related performance indicators are reviewed by Internal Audit when individual service areas are audited.	<p>Equalities report to be produced quarterly and presented to Chief Officers Board.</p> <p>Equalities updates discussed with the portfolio holder for Stronger Communities on a regular basis.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Darlington Borough Local Plan 2016-36 not adopted	External examination by the Planning Inspectorate	Planning Advisory Service Peer review through duty to cooperate PINS advisory service	Local Plan is not currently linked to Internal Audit Plan due to examination processes.	Local Plan development is considered through Member advisory Panel and Place Scrutiny Committee. Submission document and adoption of the plan considered by Cabinet and Full Council.
Internal Control environment inadequate/ineffective.	Internal Audit	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit Reports/opinions and outcomes from consultancy work undertaken.	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Internal Audit's Strategy, Role and Terms of reference and Annual Audit Plan approved by the Audit Committee. Quarterly/Annual Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan. Annual Report includes an overall opinion on the Council's control environment.
The financial position of the Council not presented fairly in the Financial Statements; the Annual Governance Statement not presented in accordance with relevant requirements; and proper	External Audit	Risk based External Audit Plan. External Audit Reports/opinions.	Internal Audit's Annual Audit Plan discussed with External Audit to facilitate External audit planning and minimise the duplication of audit effort wherever possible.	External Audit Plan and External Audit Reports, including the Annual Audit Letter, considered by the Audit Committee. Annual Audit Letter considered by Cabinet.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
arrangements are not in place to secure economy, efficiency and effectiveness in the use of resources.				
Inadequate provision of services to the people of Darlington.	External Inspection Agencies	External Inspection Agencies' reports.	External Inspection reports reflected upon in the Internal Audit planning process.	External Inspection reports and progress on improvement action plans considered by relevant Scrutiny Committee/Audit Committee/Cabinet/Council.
Business risk processes inadequate/ineffective	Law and Governance	Risk Management Approach Corporate/Group Risk Registers.	Annual Audit Plan developed with reference to Corporate/Group Risk Registers. Risk Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Risk Management Approach endorsed by the Audit Committee and approved by Cabinet. Six-monthly/Annual Reports to the Audit Committee on the outcomes from the Council's risk management processes.
Fraud and corruption arrangements inadequate/ineffective.	Internal Audit and DWP.	Anti-Fraud and Corruption Strategy, Policy, Fraud Response Plan, Anti-Money Laundering Policy and Anti-Bribery Policy and Procedures. Confidential Reporting Policy. Internal Audit reviews of arrangements. Outcomes from bi-annual National Fraud Initiative exercises. Internal Audit/Housing Benefits case files.	Anti-Fraud and Corruption arrangements, including National Fraud Initiative exercises, administered by Internal Audit. The potential for a service to be susceptible to fraud reflected within Internal Audit's risk assessment model that underpins the annual audit planning process.	Fraud related Policies and Strategies approved by the Audit Committee/Council Confidential Reporting Policy approved by Council. Annual Reports to the Audit Committee on the outcomes from the Council's anti-fraud and corruption arrangements.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
			Internal Audit review of Housing Benefits conducted on an annual basis.	
Information governance arrangements inadequate/ineffective.	Systems and Information Governance Group (SIGG), Senior Information Risk Owner (SIRO), Caldicott Guardian, Data Protection Officer (DPO), Complaints and Information Governance Team, Xentrall and External Audit.	Corporate policies, processes, procedures and guidance in place. SIGG Minutes. Officer/Member Training. Data Quality reflected upon by External Audit in their VFM assessment.	Information Governance/Sensitivity of data is reflected within Internal Audit's risk assessment that underpins the annual audit planning process. Information Governance subject to periodic Internal Audit review as part of the cyclical audit process.	Six-monthly reports to the Audit Committee on progress with implementation of the information governance work programme. External Audit VFM assessment considered by the Audit Committee and Cabinet.
Internal control environment of relevant areas of Xentrall inadequate/ineffective.	Stockton BC Internal Audit	Risk based Annual Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Joint working protocol agreed between the Internal Audit Services of Stockton and Darlington to cover Xentrall audits. Copies of all relevant Stockton BC Internal Audit Reports on Xentrall forwarded to Darlington Internal Audit for information.	Stockton BC's Annual Audit Plan related to Xentrall considered by the Audit Committee. Quarterly Reports to the Audit Committee on progress/outcomes against the Plan.
Local Code of Corporate Governance not implemented.	Corporate Group with responsibility for overseeing the drafting of the Annual Governance Statement.	Local Code of Corporate Governance Local Code individual key documents/functions matrices updated quarterly by relevant Lead Officers, covering	Internal Audit direct effort annually to validate a sample of evidence to support delivery of awareness, monitoring and review actions detailed on the Local Code individual key documents/functions matrices.	Local Code endorsed by the Audit Committee and approved by Council. Annual Governance Statement considered by the Audit Committee prior to approval.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		awareness, monitoring and review actions.		
Grant processes inadequate.	External Audit Internal Audit	External Audit Report on audited Grant Claims. Internal Audit sign-off of relevant Grant Claims.	Grant process arrangements subject to annual review by Internal audit.	External Audit Report on Grant Claims considered by the Audit Committee. Internal Audit Grant Claims work referenced in Quarterly Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan.
Health and Safety practices and processes inadequate/ineffective	Health and Safety Unit	Corporate Health and Safety Policy. Heads of Service Health and Safety Management self assessments and action plans. Risk Assessments Reportable Accident Statistics Outcomes from audits undertaken by the Health and Safety Unit. Officer/Member Training.	Health and Safety function subject to periodic Internal Audit review as part of the cyclical audit process.	Corporate Health and Safety Policy approved by Cabinet. Council's performance on health and safety reported annually to the Economy and Resources Scrutiny Committee.
Property management arrangements inadequate	Corporate Landlord Function	Corporate Premises Database System and supporting documentation.	Corporate Landlord Function subject to periodic Internal Audit review as part of the cyclical audit process.	Property management arrangements included in Council Risk Registers and, as such, included within member reporting arrangements for business risk processes.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Management control in respect of operational aspects of the business inadequate.	Chief Officers Board	Annual signed Assurance Statements from Assistant Directors.	Arrangements administered and outputs scrutinised by Internal Audit.	Annual report to the Audit Committee on the outcomes from the Assurance Statement process.
Capital Project management arrangements inadequate/ineffective.	Asset Management and Capital Programme Review Board	Asset Management and Capital Programme Review Board Agendas/Minutes and supporting documentation.	Project Office function subject to periodic Internal Audit review as part of the cyclical audit process.	Project Position Statement reported regularly to Cabinet.
Partnership governance arrangements inadequate.	Partnership Lead Officers	Annual Partnership Toolkit questionnaires completed by relevant Council Partnership Lead Officers and supporting documentation provided.	Partnership Governance Arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Partnership Toolkit approved by Cabinet. Annual report to the Audit Committee on the operations of significant partnerships.
Joint Venture Housing Investment	Internal Audit DBC Directors Legal Services advice as required	Copies of Company Audit reports Access to Banking facilities Restriction on Banking Facilities without approval of 2 Directors Weekly Sales Report Monthly Progress Report Quarterly Board meeting attended by DBC Directors with Legal, Finance and Housing expertise. Shareholders Reserved Matters	Joint Venture Arrangements subject to periodic internal audit review and reviewed as part of cyclical audit process	Joint Venture Arrangements included in the Council's risk register and as such included within member reporting arrangements for business risk processes.
Treasury management arrangements inadequate.	Financial Services	Treasury Management Policy Statement, Strategy, Prudential Indicators and Procedures.	Treasury Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Treasury Management Policy Statement, Strategy and Prudential Indicators considered by the Audit Committee and approved by Council. Treasury Management Procedures approved by the Audit Committee.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
				Regular/Annual Reports to the Audit Committee and Cabinet on the performance of the Treasury Management function.
Financial management arrangements inadequate/ineffective.	Financial Services	Medium Term Financial Plan. Corporate Budget Setting/Monitoring processes and supporting documentation. Officer/Member Training.	Financial management arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Medium Term Financial Plan approved by Council. Quarterly Reports to Cabinet on Financial Performance.
Financial management arrangements in local authority maintained schools inadequate/ineffective.	School Governing Bodies	Schools annual self-assessment returns against the Schools Financial Value Standard (SFVS).	Financial arrangements in schools subject to periodic Internal Audit review as part of the cyclic audit process.	School balances reported to Cabinet quarterly.
Ineffective management of the transformation agenda.	Chief Officers Executive	Chief Officer Executive Agendas/Minutes and supporting documentation.	Internal Audit support/contribute to delivery of the Transformation Programme as relevant.	Reports to Cabinet and Scrutiny as appropriate.
Ineffective challenge to the procurement process.	Procurement Board	Procurement Board Agendas/Minutes and supporting documentation.	Procurement process subject to periodic Internal Audit review as part of the cyclical audit process.	Annual Procurement Plan approved by Cabinet.
Ethical health arrangements inadequate.	Law and Governance	Member Code of Conduct. Officer Code of Conduct. Member/Officer Training.	Audit Committee reports on ethical indicators reflected upon in the audit planning process.	Members and Officers Codes of Conduct approved by Council. Audit Committee receives reports on ethical indicators.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Lessons not learned from complaints received.	Complaints and Information Governance Team	Corporate, Adult Social Care, Children's Social Care, Housing and Public Health Complaints, Compliments and Comments Procedures. Complaints Records. Local Government and Social Care Ombudsman Housing Ombudsman Annual reports to COB. Regular reporting to senior management. Quarterly reporting via PMF. External Inspection Agencies' reports.	Complaints and Ombudsman reports reflected upon in the audit planning process.	Complaints Procedures approved by Cabinet. Annual report to Cabinet on complaints received and the resultant organisational learning. Regular reports to Cabinet on Ombudsman complaints and outcomes.
Inadequate arrangements for the delivery of the Public Health function and responsibilities.	Director of Public Health	Public Health Work Plan. Health and Wellbeing Strategy. Director of Public Health's Annual Report.	Public Health function subject to periodic Internal Audit review as part of the cyclical audit process.	Regular reports to Health and Wellbeing Board and Health and Partnerships Scrutiny Committee.
Ineffective system of internal audit	Senior Group of Officers	Annual Review of the system of internal audit and supporting documentation.	Internal Audit direct effort annually to support the review process.	Annual Review of the system of internal audit considered by the Audit Committee.

APPENDIX C

No.	Action	Responsible Officers	Update
1	COVID-19 – plan the Council’s contribution to economic and social recovery - Utilise lessons learnt from the pandemic response to help shape future responses and service delivery.	Chief Executive Directors	Given we remain in the midst of the COVID-19 pandemic, the Council continues to work with key partners to plan our contribution to economic and social recovery and continues to utilise lessons learnt from the pandemic response to help shape future responses and service delivery. Given this work is ongoing the Council intends to role this action forward to the 2021/22 AGS.
2	Continue to work with the Cabinet and Council to further refine plans and priorities.	Chief Executive Directors Assistant Director Resources (S151 Officer)	The Council has now publicised the Council Plan .
3	Manage risks within the MTFP to ensure continued financial sustainability of the Council.	Chief Executive Director of Adult and Children’s Services Assistant Director, Children’s Services	The Council continues to manage the risks within the MTFP through regular reporting and review of the MTFP, in particular those associated with the growing elderly population, Children’s Services and now of course those resulting from the COVID-19 pandemic.
4	Work with Partners to look at new approaches to improving outcomes for children at risk of becoming Looked After.	Chief Executive Director of Adult and Children’s Services	The National Strengthening Families Programme the Council is undertaking in conjunction with DfE and Leeds City Council has resulted in improved outcomes for children, although there has been some delay to the timeline as a result of the pandemic.
5	Continue to create the conditions for economic growth including approval of the Local Plan.	Director of Economic Growth Assistant Director, Economic Growth	The Council continues to promote the borough and deliver appropriate infrastructure. The Local Plan has been submitted to the Planning Inspectorate and is currently subject to public examination.