

## ANNUAL GOVERNANCE STATEMENT 2022/23 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  
Operations 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 2022, 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 2022 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

#### Children's Services

15. Darlington Children's Services are judged as Good overall with Outstanding Service for Children in Care and Care Leavers. Ofsted Inspectors carried out a full inspection of the Local Authority Childrens Services (ILACS) in October 2022 whereby this judgement was reached. Ofsted held an Annual Engagement Meeting on the 14 September 2022 to receive an update on our journey of progress and our priorities for the coming year.
16. Children's Services continue to be a trailblazer for the National Strengthening Families Programme. Whilst formal oversight and input from the Department for Education (DfE) and Leeds City Council ended in 2022 we have continued to develop the programme which informs the key strategic aims for the service for 2023/24. The key focus of the Programme has been on implementing and developing a relational and restorative practice culture, which was recognised and praised by OFSTED during their ILACS in 2022.
17. Despite our OFSTED rating of Good, the service remains focused on further development and are continuing to develop a quality assurance framework that focuses on the impact on children and families of the services they receive. There has been investment and development of the quality assurance team which aims to increase the levels of input from families in assessing the quality of services delivered, and increasing co-production of services with families.

18. Despite the positive progress of the service over the past year, there are nationally experienced challenges to the workforce, led by significant increases in demand for services post pandemic, and workforce challenges due to decreased recruitment and retention of children's services workers. The service is working hard to mitigate these issues, and also seeking to influence regional and national policy discussions to address these widespread challenges.
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. Children report their mental health, anxiety and maintaining healthy eating habits as the major impacts 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 has continued to address the backlog of cases to be heard. There is significant strategic work ongoing to explore how practice can be strengthened both in terms of the Public Law Outline (pre-Court work) and once cases are heard at Court, within Care Proceedings. The service continues to engage regularly with the Judiciary as well as with CAFCASS, which is the Court appointed advisory service who are involved in Care Proceedings. These relationships are strong and provide critical feedback in relation to the service.
21. Children in need of help and protection are safeguarded through Children's services, maintaining a business as usual approach as agile working has been fully embedded. Whilst aspects of Children's Services work fully returned to face to face working where this is deemed most appropriate, the service has sought to adapt, develop and modernise as we have learned lessons from the pandemic. This has led to some services being delivered remotely and other aspects of the services (meetings, training) being delivered in an agile way. The focus has been working with staff to understand how they best deliver their services to children and families and then supporting them to do this.
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 results 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, which are subject to annual OFSTED Graded Inspections and monitoring visits in between. One of our homes is judged as Good and three are judged as Requiring Improvement to be Good. We work collaboratively with OFSTED to learn from inspection findings and provide the highest quality care. Monthly independent monitoring, under Regulation 44 of the Children's Homes (England) Regulations 2015 has taken place, which evidences the high-level quality care given to our children and young people from the staff.

### **Special Educational Needs**

24. The joint Ofsted and Care Quality Commission (CQC) inspection was carried out over five days in January. It looked at how providers across Darlington – including the Council, NHS and schools – have implemented SEND reforms since 2014 to the present day.
25. Inspectors have published a report on the services provided to children and young people with special educational needs and/or disabilities (SEND) in Darlington – highlighting strengths and areas for improvement.
26. Inspectors spoke to children and young people with SEND as well as their parents and carers, visiting a range of settings.
27. They noted that there had been signs of improvement in SEND provision in Darlington recently, but said there was a lack of effective working across education, health and care services to ensure consistently positive outcomes.
28. The local area was required to produce a Written Statement of Action (WSOA) in response to the inspection. The WSoA was approved as being fit for purpose by Ofsted on 9 September 2022. The delivery of the WSoA will be subject to quarterly monitoring by DfE/NHS England. The first monitoring visit was undertaken in January 2023 and positive feedback on progress was received. Ofsted and the CQC have introduced a new local Area SEND inspection framework in January 2023. Darlington will receive a full inspection under this new framework within 3 years of the previous inspection.

### **Darlington Borough Council Peer Review**

29. The Council embarked on a Peer Review in May 2022. The Council wrote a position statement and over 120 people from the Council, private and the third sector were interviewed by the team from the Local Government Association (LGA). At the end of the review week, the LGA team reported it was very impressed with the borough, referencing it a number of times as a jewel in the region with a bright future ahead of it and a great story to tell. They made particular references to the fantastic partnerships the Council has, the incredible and passionate workforce who resonated positivity, the great economic growth achievements made to date, and the opportunities emerging for Darlington. The LGA team's report was presented to Cabinet on 11 October 2022 along with an associated action plan. The Peer Review team made a return visit to the Council on 24 March 2023 to receive an update on progress against the action plan. The team reported back that they were pleased with the progress made and a follow up report will be sent to the Council, to be published on the Council's website, in the coming months.

### **Corporate Planning and Performance Management Framework**

30. 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.

31. The Council Plan was reviewed in 2020 and was subsequently approved by Cabinet and Council. Performance measures associated with the plan have been developed, with progress against the plan reported to Cabinet after Q4 and Q2 2022/23.
32. Many performance measures reported to scrutiny committees are already aligned with the Council Plan performance measures, and in most cases this is done on a 6 monthly basis, with the exception of Children and Young People committee being quarterly. Scrutiny committees can request more or different measures, and such requests are responded to as and when they arise.

## **Transformation Programme**

### **Children's Transformation**

33. Our Strengthening Families Plan sets out the activities we identified and agreed to develop to improve Children's Services during 2022/23; it was built around the vision for children and young people set out in the Council's Plan. The post implementation priorities were identified through our partnership with Leeds Family Valued as part of The DfE's Strengthening Families, Protecting Children Social Care Innovation Programme, and our guiding principles to deliver great social work practice, put families first and be business efficient.
34. We identified five strategic priorities as the most important areas of focus during the year; to continue embedding a restorative culture so that the way we work in Darlington reflects the principles and values of restorative and relational practice; to continue developing staff training so we have the right offer in place to sustain and grow practice in Darlington; to increase the use of Family Group Conferencing, so we support more families to find their own solutions; and to increase in house placement capability and deliver Cedars respite and emergency provision.
35. Reporting is through an agreed Strengthening Families Dashboard, highlighting progress to plan, achievements, challenges, risks, and exceptions by strategic priority area. Expected benefits are monitored through a combination of locally identified benefits (performance data and agreed quality measures) and those agreed as part of the Strengthening Families, Protecting Children Programme (monitored via a programme tool developed by Mutual Ventures).
36. Governance arrangements are through Children's Senior Leadership Team, monthly for operational oversight and bi-monthly reporting into Strengthening Families Board, whose role it is to review overall progress against the plan, exceptions/barriers to delivery and progress with expected benefits realisation. The Board is chaired by the Director of People Services and membership includes, the Assistant Director of Children's Services, Heads of Service for Children's Front Door, Assessment and Safeguarding and Looked After and Resources, the Head of Practice Quality, Assistant Director for Commissioning, Performance and Transformation, the Head of Workforce Development, Finance Manager, and the Programme Manager for Children's Services.
37. Strengthening Families Board met four times during 2022/23, effectively monitoring progress and demonstrating our risk management grip through early identification of risks to delivery for two strategic priorities (increasing placement capability and delivery of Cedars emergency and respite home) during quarter 1. Delivery of Cedars is expected during quarter 2 of 2023/24 due

to interdependencies with Ofsted registration of another children's home and a wider Placement Sufficiency paper setting out the challenges around increasing placement capability, together with suggested options to address these is being considered by the Directorate Leadership Team in quarter 2 of 2023/24. Activities in the three remaining strategic priorities delivered as planned, with progress in embedding a restorative practice, developing staff training and use of Family Group Conferencing evidenced in the agreed indicators of overall benefits and in Ofsted's Inspection of Children's Services (November 2022).

38. Alongside internal governance arrangements, we continue our relationship with The DfE and Leeds Family Valued through the Strengthening Families, Protecting Children Programme, reporting our position with the expected programme benefits as a 'graduated' local authority as required to enable model evaluation and support wider roll out of the programme to other authorities. Our contribution to this work has enabled the programme to refine the implementation approach and benefits expectations, particularly around the timeline for realisation and financial impact.

### **Adults Transformation**

39. The Adults transformation programme has been reviewed to reflect the recent changes as indicated in the Health and Care Act 2022. Therefore the programme has updated the four key themes: strengthening practice; market shaping, developing and commissioning; ensuring safety; and strategic leadership/workforce development. These key aims will underpin the preparation for inspection within the CQC assurance framework. This framework was implemented in April 2023 with cohorts of up to 20 local authorities being inspected by December 2023, and all Local Authorities to have an inspection/baseline assessment by April 2025.
40. The previous themes of managing demand, maximising independence, self- directed support and a cost effective and sustainable market continue to be embedded within the revised programme and are integral to managing safety and risk.
41. Governance arrangements are through Adult Social Care Senior Leadership Team with fortnightly meetings for operational oversight, and monthly with wider Commissioning and Finance input. Monitoring and strategic oversight is shared by Assistant Director for Adult Social Care with Assistant Director for Commissioning and the wider Directorate leadership Team.
42. A quality assurance and improvement framework has been developed to support the governance arrangements and will be overseen by the Head of Practice and Quality with support from Workforce Development and Performance teams to ensure clear deliverables, and identified measures are implemented.

### **Education Transformation**

43. 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 transformation

programme has been refreshed to focus on transition for pupils, implementation of the SEND strategy and the importance of inclusion in schools.

44. 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.
45. 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)**

46. 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).
47. 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 Pooled Budget Partnership, with overall strategic ownership with the Health and Wellbeing Board (HWBB).
48. The BCF national team announced in October 2022, that there was a requirement for all HWBB areas to submit an End of Year performance report against the Better Care Fund. This was submitted by 24 May 2023, with agreement by HWBB chair that all national conditions continue to be met. In addition the 2022/23 EoY submission was to also include spend and metric performance for the Adults Discharge Fund.
49. Operationally, the BCF is overseen by a joint Pooled Budget Partnership Board comprised of the Council and Integrated Care Board (ICB) and Discharge Management and Intermediate Care Delivery Groups, whose membership also includes County Durham and Darlington Foundation Trust (CDDFT), Primary Care Network, Tees, Esk and Wear Valley NHS Trust (TEWV). A joint Commissioning Group has also been established to explore areas for closer alignment between the Council and Darlington ICB.
50. Each BCF Plan is required to meet four national conditions in order for the grant to be agreed. These were met during 2022/23:
  - (a) Jointly agreed plan between the Local Authority and ICB;
  - (b) Level of social care spend in line with minimum CCG contribution;
  - (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); and



(d) A Plan for improving outcomes for people being discharged from hospital.

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

<b>Avoidable admissions</b>	Unplanned hospitalisation for chronic ambulatory care sensitive conditions (NHS Outcome Framework indicator 2.3i)
<b>Discharge to normal place of residence</b>	Percentage of people who are discharged from acute hospital to their normal place of residence
<b>Residential Admissions</b>	Rate of permanent admissions to residential care per 100,000 population (65+)
<b>Reablement</b>	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services

#### **Additional Improved BCF Grant**

52. 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**

53. The council continued to embed existing health and safety systems and develop new processes to manage risks during 2022/23.

54. The revised Corporate Health and Safety Policy was issued to employees in August 2022. The Health and Safety at Work etc Act 1974 (HASAWA) requires employers to revise their policy as often as necessary and when circumstances change. The latest revision reflects the organisational changes, appointments and the new corporate logo and branding.

55. Violence and aggression in the workplace remain a significant risk to Council staff. Therefore, reducing the risk and protecting Council workers from verbal abuse, threats and physical harm remained a key priority and targeted work has been carried out in this area, particularly in relation to the use of the personal safety devices.

56. A full programme, health and safety audits were carried out in 2022/23. In addition to standard health and safety compliance audits, a self-assessment audit was introduced for the first time. The self-assessment style audit permits managers to complete using audit software, answering questions and uploading evidence showing how compliance with health and safety standards is achieved.
57. Inspections were also undertaken to monitor health and safety during day-to-day activities in 2022/23. Visits were made to construction new build and refurbishment sites, housing planned maintenance, highways schemes, environmental service teams, leisure and culture settings, and schools. These visits included observing health and safety practices and provide opportunity for operatives to raise health and safety concerns and discuss ideas. Many examples of good health and safety practice were observed, and no major non-conformances identified, however where practices/environment fell below acceptable standards, these were reported to management for action.

### **Equalities Policy**

58. 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, followed by the introduction of blended working, the trainer has developed innovate ways to enable the continuation of training to staff with online access (via MS Teams) in addition to the reintroduction of face to face training. Over 1400 of our current workforce has received the basic training. An enhanced equalities training programme has been developed and is being delivered to staff responsible for making key decisions that involve equality impact assessment.
59. Performance against the delivery of the Equality Policy Objective (the number of staff and members who have received equality and diversity training) is reporting to cabinet on a 6 monthly basis as part of the Council Plan performance reports.
60. A revised Equalities Policy and objective (2023-27) was approved by Cabinet on 7 March 2023, and covers a 4 year period. Responsibility for corporate equalities sits within the Stronger Communities portfolio.
61. The revised objective is 'To provide ongoing training and support for staff and members to help them meet their duties under the Equality Act of 2010 and continue to report on progress.'

### **Managers' Assurance Statements**

62. Annual Managers' Assurance Statements (MAS) are an integral part of the framework that supports production of the AGS.
63. 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 2023.
64. The 2022/23 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 2022/23 MAS a number of improvements to process/controls and proposed

actions were identified. These matters are to be progressed by Assistant Directors during 2023/24.

## Financial Management

65. 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.
66. 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. However, the Council is very aware there are still pressures to be faced which have been exacerbated by the after effects of the pandemic, the Russia/Ukraine conflict, inflation, raising interest rates and a growing demand from services particularly in relation to social care, both adults and children. The Council has a balanced budget up until 2025/26, however reserves will be fully utilised during 2026/27 financial year which will require a full review of service provision to reduce expenditure or increase income unless further government funding is received.
67. 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.
68. 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.
69. 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.
70. 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 and last approved in February 2023. The Council manages its investments to minimise risk of losses, ensure funds are available when needed and achieve interest income.
71. 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 2022/23 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**

72. 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.
73. The counter fraud arrangements are subject to annual review and the revised strategy was reported to the Audit Committee in September 2022. 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.
74. 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**

75. 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.
76. The risk management process involves identifying, analysing, managing and monitoring risks. The identification of risks is derived from a 'top down' and a 'bottom up' 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.
77. The approach to, and the outcomes from, the Council's annual risk management processes for 2022/23 were reported to the Audit Committee in July 2023. The report detailed a number of risks as being above the 'risk appetite line' and detailed generally positive progress upon delivery of action plans to mitigate key risks and outlined advances in the management of operational risks.

### **ICT**

78. 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.
79. Implementation of the Strategy is led by the Chief Officers Board acting as the Systems and Information Governance Group (SIGG). SIGG is tasked to produce six-monthly reports on implementation progress to the Audit Committee.

80. Progress reports were considered by the September 2022 and April 2023 Audit Committee. The progress report to the Audit Committee in April 2023 documented positive progress across each of the three key programmes.
81. In terms of governance and service development, the ICT service is preparing for a full 3-year recertification in both Information Security Management and Quality Management Systems, and the latter will be to the new 27001:2022 standard. The ICT service completed its annual submission for PSN (Public Services Network) certification and achieved this successfully. In addition, all fourteen control inspections undertaken by the Council's Internal Audit team over the last six months have been classified as "green" on a red/amber/green rating.
82. Strategic architecture related projects have included:
- (a) Implementation of the Microsoft Azure Landing Zone.
  - (b) Working with the National Grid and GCHQ to review and strengthen the resilience of the Council's power and communication infrastructure.
  - (c) Ensuring Council services are prepared for the 3G mobile telephony network switch off at the end of 2023.
  - (d) Supporting the development of Blended Working with the deployment of the new telephony system; Teams Voice, to over 90% ICT users across the Council.
  - (e) A review and redesign of the Council's resilient network links between the Darlington and Stockton data centres.
  - (f) Ensuring Council Services are prepared for Digital Switch over in 2025 when the UK moves away from the public analogue telephone network.
  - (g) A review and renewal of the ICT Asset Disposal contract.
83. 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.
84. As part of the Microsoft Office 365 roll-out and the features this brings, ICT have continued to work with a task group and different services across the Council to migrate their shared data to Teams. Services already migrated are able to work more collaboratively when developing and sharing documents. Services which have been migrated include; the Complaints and Information Governance Team, Democratic Services, Highways, HR, the Systems & Process Team and the Web team. Work is ongoing to identify and plan the migration of further services.
85. Xentrall ICT have continued to support the Council in piloting and implementing the Blended Working programme, which has involved providing additional ICT equipment in the Town Hall as well as continuing to support the ICT equipment remote in officer's homes. The migration to Teams Telephony is nearing completion and this simplifies the office suite of products in use across the Council.

## Information Governance

86. 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.
87. 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.
88. Update reports considered by Audit Committee in September 2022 and April 2023 noted the ongoing delivery of our information governance programme continues to provide 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.
89. Ongoing work includes:
  - (a) The Microsoft Office 365 Programme.
  - (b) Review of the Council's Information Asset Register (IAR) and Privacy Notices.
  - (c) Work to achieve our target for the completion of on-line mandatory information governance training courses.
  - (d) The provision data protection advice to officers in relation to Information sharing Agreements and Contracts; and
  - (e) The provision of an information rights service.
90. The area of highest priority in the information governance programme is:
  - a) The Microsoft Office 365 Programme.

## Capital Project Management

91. 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.
92. 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 Services 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.

93. 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 Economy & Resources Scrutiny Committee and Cabinet.
94. 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**

95. The Council's Internal Audit Division operates to the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note. The Annual Internal Audit Plan is a rolling programme that 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 Audit Plan and receives progress reports during the year, including any significant matters arising or other issues of concern, and Internal Audit's Annual Report.
96. Internal Audit concluded in their Annual Report for 2022/23, reported to the July 2023 Audit Committee, that overall the Council continues to operate within a control environment that is generally sound.
97. 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.
98. The Audit Charter 2022/23 for the Internal Audit Shared Service was approved and its Quality Assurance and Improvement Process noted at the April 2022 Audit Committee.

### **Annual Review of the Effectiveness of the System of Internal Audit**

99. The internal review was concluded on a self-assessment basis and concluded that the service complies with the Public Sector Internal Audit Standards.
100. This was confirmed via an external peer review during the year conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reported to Audit Committee in April 2023 which concluded that the Council has an effective system of internal audit.

### **Xentrall-Shared Service Partnership**

101. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and is now in its fourteenth 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)

102. 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 significant additional 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.
103. 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.
104. 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**

105. 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.
106. 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 (PSEG), 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. PSEG constitutes a significant partnership and will be subject to the governance arrangements set out in the Partnership Toolkit.
107. There are annual reviews of significant partnerships led by the Darlington Partnerships Director based upon the completion of an annual review form and the provision of evidence demonstrating the governance arrangements have been adhered to. The outcomes from the latest review were reported to the Audit Committee in July 2022.
108. The report summarised the range of partnership working undertaken by the Council and all significant partnerships in Darlington have provided evidence that they are performing well and that they are adhering to the governance arrangements are in place.
109. 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.

110. 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**

111. The Commissioning and Contracts Team continue to support the delivery of a sustainable and diverse care market across Adults and Children 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 LGA, ADASS and Partnership in Care programme; the NHS England Capacity Tracker; the regional ADASS (Association of Directors of Adult Services) group; the regional ADC (Association for Children's Services) group, and the North East Commissioning groups for both Children and Adults social care service provision.
112. 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.
113. Officers have also continued to work with safeguarding and CQC (Care Quality Commission) and Ofsted (Office for Standards in Education, Children Services and Skills) regulators to ensure services remained safe and provided good outcomes for people.
114. Providers have been well supported during this challenging year, (as the care sector begins to recover from the Covid-19 emergency period) through: the development of the Care Home Support Plan; frequent contact calls and provider forums, and timely allocation of additional financial support including the Adult Social Care Discharge Fund, the Fair Cost of Care and Market Sustainability Fund, Infection Control Fund, Workforce Capacity Fund, Rapid Testing Fund and local sustainability support arrangements.
115. Local commissioning arrangements have proven to be effective. These arrangements have been supported by the robust integrated governance arrangements in place, which include: weekly Multi-Agency Local Accident and Emergency Delivery Board (LADB); weekly Darlington social care and health Systems Pressures Meeting and strong working relationships with the newly constituted North East and North Cumbria Integrated Care Board. 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

116. The Council is investor and shareholder of a number of joint venture companies delivering small housing developments within Darlington and the wider North East region.
117. The Council has entered into six joint venture companies approved by Cabinet (on the dates shown) at Eastbourne (November 2016), Stag House Farm (April 2018), Heighington (June 2018), Middleton St George (January 2019), ESH/DBC (December 2019) and Neasham Road (September 2020).
118. Three of the joint ventures being Eastbourne, Heighington and Middleton St George have now been completed with the loans fully repaid and profits realised. In regard to Stag House Farm, Neasham Road and Springwell, the first development via the ESH/DBC company, all sales are on target.
119. 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

120. In 2022/23 we received 8 complaints about the conduct of Members of the Council (no complaints were about parish councillors).
121. The total number of complaints is a relatively low number given the number of councillors, the range of matters that Members are involved with and the impact that their decisions can have on the public. The number of complaints is not out of line with the average of complaints received in previous years, which is around 9 per year.
122. All of the complaints were resolved without the need for a formal investigation or hearing.
123. Mid way through 2022 the Independent Person gave notice of her intention to resign from the office as she was taking up an appointment as a circuit judge. In consequence of this and following a recruitment process a selection panel comprised of Group Leaders interviewed candidates, with two new Independent Persons subsequently being confirmed by Council. They have had an induction into their new role from the Monitoring Officer and the revised arrangements are working well. The appointment of two Independent Persons strengthens the cover available.
124. The assessment of complaints has continued to function well with effective liaison between the Monitoring Officer and the Independent Person/s in considering the initial assessment of complaints.
125. In 2022 the representation of parish councillor co-opted members who can be called upon to sit to determine complaints about parish councillors was refreshed (2 borough council members sit with 1 parish council member on the Members Standards Hearing Committee). The positions were advertised in all 10 parish councils and 2 parish councillors were recruited with their appointments confirmed at the May 2022 Annual Council meeting.

126. As referenced in last year's review at the start of 2022 a revised Code of Conduct came into force modelled on the LGA Model Councillor Code of Conduct for Members. In preparation for this member training took place and relevant advisory work has been ongoing. No particular issues have arisen from the introduction of the new code of conduct
127. 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. Update reports about member standards issues and also ethical indicators were presented to the Audit Committee in April and September 2022. 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.
128. 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**

129. 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.
130. During 2022/23 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 2023 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)**

131. With the publication of the Government's Living with COVID-19 plan and the ending of the Coronavirus Act 2021, from April 2022 and lifting of all restrictions the Local Authority continues to work with UK Health Security Agency and other local, national and regional partners in ensuring that local COVID-19 escalation plans are developed and agreed.
132. The Local Authority, through the Director of Public Health provides the local leadership in ensuring appropriate local outbreak management plans for a range of infections and communicable diseases are in place for their Local Authority area. This supports and complements the statutory duty in planning for, and responding to, emergencies that present a risk to the public's health in the longer term.

133. A new Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) is being issued to local authorities to enhance the delivery of treatment and recovery systems as part of the implementation of the Government's 10-year Drug and Alcohol Strategy. This 3 year funding is to deliver the outcomes expected in the drug strategy and target the priority cohorts identified in the treatment section of the drug strategy. The award is part of the Section 31 Grant being used to support the improvements in substance misuse services described in the Drugs Plan, published in December 2021.
134. Darlington have been given enhanced funding within the first round starting from 2022/23. And all actions and outcomes should be delivered within 2022/23 to 2024/25.
135. Given the scale of additional funding the government have set out their expectations around local accountability in demonstrating achievement of the hard outcomes that are described in the new drug strategy and Dame Carol Black's vision for drug treatment and recovery systems.
136. The Office of Health Improvement and Disparities (OHID) requires detailed planning templates with local metrics and plans against, and a menu of interventions should be built into these plans.
137. In Darlington, this funding has been used to expand activity and increase quality within drug treatment services by reducing caseloads and increasing capacity to increase the number of treatment, detox and recovery places for people misusing drugs or alcohol
138. This funding is time limited to develop the short-term plans to accelerate progress to deliver the longer-term ambitions and pump prime interventions and services to sustain the gains made through this extra funding.

### **Business Continuity**

139. 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. The Business Continuity Management System is aligned to the international standard ISO 22301 and uses a series of Business Impact Analysis, to identify essential Council functions. Business Continuity Plans are developed and maintained to ensure the Council's essential services are prepared for a business interruption. Business continuity has been strengthened during the pandemic and has worked successfully with the Council still being able to deliver services to the public despite the restrictions in place.
140. 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. The testing regime continues, with all plans being regularly tested.

## Home working

141. Through the pandemic the Council like most employers increased the number of staff working from home. The Council has always worked on an outcome/output basis and productivity is not measured on where the employee is based but on what they deliver and during the pandemic in some areas productivity increased with reduced travel time to and from work and to and from meetings. Following the relaxation of restrictions, the Council continued with the practice of working from home but commenced a pilot to review agile working in terms of efficiency and benefits to employees. Provision was made for staff who wished to return to an office base and regular supervisor and team meetings continued to be held to ensure work kept on track and to support employee wellbeing both in person and remotely through Microsoft Teams. Support mechanisms have been put in place for employees for wellbeing, ensuring regular communications and supervision. The outcome of the pilot has been a success both from service provision and with employees and is a useful tool in our recruitment and retention policy.

## External Audit

142. The Council's external auditors Ernst and Young LLP (EY) are expected to give an unqualified opinion on the Council's 2022/23 accounts by the target date of 30 September 2023.
143. 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.
144. 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.
145. 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 2023/24**

146. Chief Officers Executive (COE) has overall responsibility for delivering the below actions.

<b>No.</b>	<b>Action</b>	<b>Responsible Officers</b>
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
6	Work towards delivering the Council’s commitment to becoming Carbon neutral by 2050.	Chief Executive Assistant Director, Economic Growth

147. An update on the 2022/23 action plan is contained in Appendix C.

**Conclusion**

148. 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

<i>Document/Function</i>	<b>Core Principles of Corporate Governance</b>						
	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		X	X	X			X
Constitution	X	X					X
Corporate/Service Planning and Performance Management Framework		X	X	X	X	X	X
Communications and Engagement Strategy	X	X	X	X			X
ICT Strategy			X		X		
Workforce Strategy	X				X		
Schedule of Council Meetings		X					X
Council Procedure Rules	X	X					X
Record of Decisions	X	X	X	X			X
Partnership Working Toolkit	X	X	X	X	X	X	X
Code of Conduct for Members	X	X					X

<b>Document/Function</b>	<b>Core Principles of Corporate Governance</b>						
	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
Members Induction and Training Programme	X	X			X	X	X
Code of Conduct for Employees	X	X					
Officer and Member Protocols	X				X		
Confidential Reporting Policy	X					X	X
Code of Corporate Governance	X	X	X	X	X	X	X
Risk Management Approach				X		X	X
Anti-fraud and Corruption Policies	X					X	X
Capital Projects Methodology		X	X			X	
Information Governance Policies	X	X				X	X
Procurement Strategy	X	X	X			X	



<b>Document/Function</b>	<b>Core Principles of Corporate Governance</b>						
	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
Contract and Property Procedure Rules	X	X	X			X	
Medium Term Financial Plan/Budgets		X	X	X		X	X
Treasury Management Framework						X	
Annual Statement of Accounts		X				X	X
Financial Procedure Rules	X	X				X	X
Scheme of Delegation		X			X		X
Complaints Process	X	X					X
Equalities Policy		X	X	X			
Business Continuity Plans		X				X	
Health and Safety Policy		X				X	X

**Assurance Framework**

<b>Risk</b>	<b>Assurance Provider</b>	<b>Sources of Assurance</b>	<b>Links to Internal Audit Work Plan</b>	<b>Reporting to Members</b>
<p>Corporate Planning and Performance Management Framework inadequate/ineffective</p>	<p>Chief Officers Executive</p>	<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>	<p>Performance indicators are reviewed by Internal Audit when individual service areas are audited.</p>	<p>Baskets of performance indicators reported to Cabinet and scrutiny groups twice a year (Q2 and Q4)</p>
<p>Equalities Policy inadequate/ineffective</p>	<p>Chief Officers Board</p>	<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</p>	<p>Where appropriate, equalities related performance indicators are reviewed by Internal Audit when individual service areas are audited.</p>	<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
		to monitor and report on equalities related performance indicators.		
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 arrangements are not	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
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.	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	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-

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		<p>Outcomes from bi-annual National Fraud Initiative exercises.</p> <p>Internal Audit/Housing Benefits case files.</p>	<p>that underpins the annual audit planning process.</p> <p>Internal Audit review of Housing Benefits conducted on an annual basis.</p>	<p>fraud and corruption arrangements.</p>
<p>Information governance arrangements inadequate/ineffective.</p>	<p>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.</p>	<p>Corporate policies, processes, procedures and guidance in place.</p> <p>SIGG Minutes.</p> <p>Officer/Member Training.</p> <p>Data Quality reflected upon by External Audit in their VFM assessment.</p>	<p>Information Governance/Sensitivity of data is reflected within Internal Audit's risk assessment that underpins the annual audit planning process.</p> <p>Information Governance subject to periodic Internal Audit review as part of the cyclical audit process.</p>	<p>Six-monthly reports to the Audit Committee on progress with implementation of the information governance work programme.</p> <p>External Audit VFM assessment considered by the Audit Committee and Cabinet.</p>
<p>Internal control environment of relevant areas of Xentrall inadequate/ineffective.</p>	<p>Stockton BC Internal Audit</p>	<p>Risk based Annual Internal Audit Plan.</p> <p>Internal Audit reports/opinions and outcomes from consultancy work undertaken.</p>	<p>Joint working protocol agreed between the Internal Audit Services of Stockton and Darlington to cover Xentrall audits.</p> <p>Copies of all relevant Stockton BC Internal Audit Reports on Xentrall forwarded to Darlington Internal Audit for information.</p>	<p>Stockton BC's Annual Audit Plan related to Xentrall considered by the Audit Committee.</p> <p>Quarterly Reports to the Audit Committee on progress/outcomes against the Plan.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
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 awareness, monitoring and review actions.	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.
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	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.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		Outcomes from audits undertaken by the Health and Safety Unit. Officer/Member Training.		
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.
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	Copies of Company Audit reports Access to Banking facilities	Joint Venture Arrangements subject to periodic internal	Joint Venture Arrangements included in the Council's risk

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
	Legal Services advice as required	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	audit review and reviewed as part of cyclical audit process	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. 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.	Financial management arrangements subject to periodic Internal Audit review	Medium Term Financial Plan approved by Council. Quarterly Reports to



Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		Officer/Member Training.	as part of the cyclical audit process.	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.
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	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.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		Annual reports to COB. Regular reporting to senior management. Quarterly reporting via PMF. External Inspection Agencies' reports.		
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	Growing Darlington's Economy.	Chief Executive Assistant Director, Economic Growth Group Director of Services	Officers continue to work with GPA and DEC to successfully deliver a permanent location for DEC. A refreshed tender exercise is being planned for Faverdale Business Park and marketing of Ingenium Parc continues. Following the relocation of DEC the council is receiving an increase in enquiries for quality office space within the town centre. In response to this the process has commenced to refurbish the Northern Echo Building through Town Funds and a 25,000 sq,ft new office building is being explored on the former sports direct site.
2	Maximise the potential of our young people.	Group Director of People Assistant Director, Children's Services Head of Education and Inclusion	<p>Childrens Services continue to be highly committed to promoting the opportunities for Children in our Care and those leaving Care. There are currently only 21.8% of Care Leavers Not in Education, Employment or Training (NEET) which is lower than national and regional comparator averages. High numbers of Care Leavers are supported to live in appropriate accommodation. 16.4% of our care leavers are engaged in further education and 61.8% are in employment. There is an excellent relationship with our Learning and Skills officers to understand all school leavers destinations to promote and encourage further learning, training, and/or employment opportunities.</p> <p>As part of our ongoing commitment to increasing capacity for SEND in Darlington the council submitted a bid to open a new Special Free School in 2023 which was successful. We therefore move forward in the process of opening a new school that fits within our strategies for children and young people with special educational needs and disabilities. To complement our existing provision, we have identified the need for a secondary provision for those pupils with a primary need of autism/ASD. The new special free school will provide 48 full</p>

			<p>time places for pupils aged 11-19 with autism, who would benefit from a specific environment and staff dedicated to a holistic approach. The capital funding for the new school will be provided from the Government's Free School Programme.</p> <p>Our current Ofsted performance for all schools (primary &amp; secondary) is as follows: 83.8% of Darlington schools are judged good or outstanding and 82.9% of Darlington pupils attend a good or outstanding school. In the FE sector and Darlington College and Queen Elizabeth 6<sup>th</sup> form College are both graded good.</p>
3	Supporting the most vulnerable in the borough.	<p>Group Director of People Assistant Director, Children's Services Assistant Director, Adult Services Darlington Partnership Director</p>	<p>Childrens Services have continued to embed a relational and restorative approach at the Childrens Front Door, which has improved access to advice and support for members of the public and partner agencies, and ensure that families receive the right support at the right time. An OFSTED Inspection in October 2022 was positive in terms of the statutory assessment and support offered to children and families in need.</p> <p>Adult Services continues to provide care and support needs assessments, information, advice and guidance to the most vulnerable in the borough. Since moving out of the pandemic teams have engaged with local providers, voluntary organisations and local groups such as carers and the Learning Impairment Network. The service is working with the Primary Care Network to strengthen links to Living Well and Social Prescribing. There is an emphasis through the Darlington Safeguarding Partnership to develop increased awareness of the issues related to hoarding and self-neglect. Through the BCF and Adult Social Care Discharge Funding the service increased short term capacity through the system pressures to support timely and positive hospital discharges.</p>

			<p>The Council has supported the development of a range of initiatives that support vulnerable residents. Notably it negotiated and accumulated funding to bring The Bread and Butter Thing charity to Darlington which has resulted in hundreds of tons of affordable food being available to those facing food insecurity. In addition it has deployed the DWPs Household Support Fund through voluntary sector partners targeting help with fuel, food and related costs to those most at risk. The Council is working closely with the voluntary sector to develop a 'Vulnerability Strategy'. This will articulate an aligned approach to providing the most appropriate help to those in financial difficulty, those suffering from mental health problems and in particular the impact on children.</p>
4	Working with communities to maximise their potential.	<p>Chief Executive Assistant Director, Economic Growth Darlington Partnership Director</p>	<p>Darlington BEAT is a service funded by Darlington Borough Council and delivered by CAB. It helps people boost their income by supporting them to apply for and maximise benefits they are eligible to receive. During 2022/23, just under £1.8m of benefits were identified for Darlington residents aged 15+ across all wards. Support covered a range of benefits such as Universal Credit (£359k), housing and council tax (£55k), personal independence payments (£1.133m), disability living allowance (£97k), and pension credits (£35k). Given the current cost of living pressures, the contract with CAB has been extended to 31 March 2024.</p> <p>A number of jobs and careers fairs took place during Q3 and Q4, with over 1,500 people and over 70 organisations attending the event at the Dolphin Centre in February 2023.</p> <p>The Levelling Up Darlington Plan was launched at the inaugural meeting of the Stronger Communities Board on November 16th 2022. Focusing on three areas, Youth Opportunities, Unemployment and Health Inequalities. Representatives from Youth Employment UK, DBC</p>

			<p>Economic Growth, Darlington College and Primary Healthcare Darlington provided short presentations to demonstrate the work which will be undertaken to deliver the plan.</p> <p>The plan was well received by CEOs and Chairs of Governing Bodies/Trusts from across Darlington, the next meeting is planned for early summer. The incoming administration will be consulted on any revisions required to the board.</p> <p>A detailed action plan is in development which will outline how the priorities will be achieved.</p>
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	The workforce strategy "Working Together to Deliver Success" outlines how the Council will develop, support and motivate our staff, to ensure we meet the priorities of businesses and the community. Priorities within the plan that have been delivered to align to our core values include, the management development programme, the implementation of flexible and agile working, and supporting staff wellbeing to promote and maintain a healthy and safe workforce. We continue to monitor the implementation and embedding of the strategy and Council values, through the employee surveys, wellbeing statistics, customer feedback, workforce performance and development of staff communication.
6	Work towards delivering the Council's commitment to becoming Carbon neutral by 2050.	Chief Executive Assistant Director, Economic Growth	Progress in meeting the objectives of the Carbon Neutral declaration continues and is reported to members on a regular basis.