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SteVenage
BOROUGH COUNCIL

AUDIT COMMITTEE

Date: Tuesday, 8 June 2021
Time: 6.00pm
Location: Council Chamber, Daneshill House, Danestrete, Stevenage
Contact: Ian Gourlay (01438) 242703
committees@stevenage.gov.uk

Members: Councillors: T Callaghan (Chair), M Arceno, J Ashley-Wren, S Booth, J Gardner,
               G Lawrence, N Leech, M McKay, C Parris and L Rossati.
               Mr G Gibbs (Independent Non-voting Co-opted Member)

AGENDA

PART I

1.   APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2.   ELECTION OF VICE-CHAIR

To elect a Vice-Chair of the Audit Committee for the 2021/22 Municipal Year.

3.   MINUTES - 24 MARCH 2021

To approve as a correct record the Minutes of the meeting of the Audit Committee held
on 24 March 2021.
Pages 3 – 8

4.   TERMS OF REFERENCE

To note the Terms of Reference for the Committee, as agreed by the Annual Council
meeting on 26 May 2021.
Pages 9 – 10

5.   2019/20 EXTERNAL AUDIT OF SBC ACCOUNTS - PROGRESS

To receive a verbal update from Ernst & Young regarding progress on completion of the
2019/20 external audit of SBC Accounts.

6.   ANNUAL ASSURANCE STATEMENT AND ANNUAL REPORT 2020/21

To consider the Annual Assurance Statement and Internal Audit Annual Report 2020/21
prepared by SIAS.
Pages 11 – 36

7. **ANNUAL GOVERNANCE STATEMENT 2020/21 AND LOCAL CODE OF CORPORATE GOVERNANCE**

   To consider the Annual Governance Statement 2020/21 and Local Code of Corporate Governance.
   Pages 37 – 102

8. **URGENT PART I BUSINESS**

   To consider any Part I business accepted by the Chair as urgent.

9. **EXCLUSION OF PUBLIC AND PRESS**

   To consider the following motions –

   1. That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in Paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

   2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

10. **PART II MINUTES - AUDIT COMMITTEE - 24 MARCH 2021**

    To approve as a correct record the Part II Minutes of the meeting of the Audit Committee held on 24 March 2021.
    Pages 103 - 104

11. **STRATEGIC RISK REGISTER**

    To note the latest Strategic Risk Register for Stevenage Borough Council and developments on risk management issues.
    Pages 105 - 140

12. **URGENT PART II BUSINESS**

    To consider any Part II business accepted by the Chair as urgent.

Agenda Published 28 May 2021

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Wednesday, 24 March 2021
Time: 6.00pm
Place: Virtual (via Zoom)

Present:	Councillors: Teresa Callaghan (Chair), John Gardner (Vice-Chair), Sandra Barr, Laurie Chester, Lizzy Kelly, Graham Lawrence and Mr Geoffrey Gibbs (Independent member).

Start / End Time:	Start Time:	6.00 pm
	End Time:	7.39 pm

1   **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors Stephen Booth and David Cullen.

There were no declarations of interest.

2   **MINUTES - 9 FEBRUARY 2021**

It was **RESOLVED** that the Minutes of the Audit Committee meeting held on Tuesday 9 February 2021 be approved as a correct record and signed by the Chair.

3   **PROPOSED SAFS ANTI-FRAUD PLAN 2021/22 AND PROGRESS WITH 2020/21 ANTI-FRAUD PLAN**

Nick Jennings from the Shared Anti-Fraud Service (SAFS) presented the Anti-Fraud Plan for 2021/22. He provided details of the Council's Anti-Fraud and corruption arrangements for 2021/22.

Members were briefed on set of measures in place for staff and members of the public to report suspicions of fraud through a number of channels. Nick Jennings informed Members that SAFS were on target dealing with fraud cases for 2020/21, but was concerned on two areas where the cases had fallen, namely staff referrals and referrals on housing fraud. He advised Members that the shortfall in cases could be the impact of Covid-19, but assured Members that SAFS was closely working with officers to generate greater awareness.

In discussing the key issues, Members noted that there were number of cases that had been held up due to the Covid-19 restrictions and were also related to the Government decision on temporarily banning house evictions.

Members noted the frameworks and procedures were in place to prevent fraud and

protect the Council and customers. Members were assured that the Council was in strong position to deter any opportunistic or serious fraud.

The Committee were in agreement that the current arrangement to protect the Council against fraud and corruption remained effective, resourced and fit for purpose.

In response to a question from a Member, Nick Jennings advised Members that between April and December 2020 SAFS had received 100 allegations of fraud affecting Council Services. SAFS had carried forward 82 live cases from 2019/20 and currently 62 cases were open and under investigation.

It was **RESOLVED**:

- That the Anti-Fraud Plan for 2021/22 be approved.
- That the activity taken to protect the Council against fraud and corruption in 2020/21 be noted.

4   **SIAS INTERNAL AUDIT PLAN 2020/21 - PROGRESS REPORT**

An updated report was received in relation to the progress made by the SIAS in delivering the Council's 2020/21 Internal Audit Plan. The report set out the periodic update for the Internal Audit Plan 2020/21.

In discussing the key issues, Members noted the following final reports had been issued since the last Audit Committee meeting on 9 February 2021:

- Housing Repairs

- Cash and Banking

- Tree Management

- Landlord Health and Safety Compliance

In response to a question from a Member, the SIAS Client Audit Manager advised Members that there was a limited assurance level on Landlord Health and Safety Compliance. This was because of the actions arising from the water risk assessment and monthly water temperature monitoring, the remedial work was due to be completed this month, and he would update Members on the issue at the next Committee meeting.

It was **RESOLVED**:

- That the Internal Audit Progress report be noted.

- That the Status of Critical and High Priority Recommendations be noted.

- That the Proposed Changes to SIAS Audit Opinions be approved.

5   **PROPOSED SIAS INTERNAL AUDIT PLAN 2021/22**

The SIAS Client Manager presented the proposed Internal Audit Plan for 2021/22. The report set out the indicative internal audit start periods.

In response to a question in relation to the Covid-19 impact and disruption to the service, the SIAS Client Manager advised Members that there were two six month plans, and after Quarter 1 and 2, there would be discussions with the officers to review the current position on Covid-19 impact, and this would be reported to the Committee.

The Committee noted the report and acknowledged the assurance SIAS provided on internal audit arrangements to the Council.

It was **RESOLVED**:

- That the proposed Stevenage Borough Council Internal Audit Plan for 2021/22 be approved.

6   **SECTION 106 AGREEMENTS**

The Assistant Director for Planning and Regulatory presented a report in relation to the breakdown of the Section 106 balances and the requirement of each specific scheme. He advised Members on the Section 106 spent for 2019/20, and informed Members that the Council was liaising closely with Hertfordshire County Council Highways to spend £148k on Parking/Transport and £35k for a pedestrian link in the next year.

It was **RESOLVED**:

- That the Section 106 Agreement report be noted.

7   **JOINT ICT INVESTMENT STRATEGY - PROGRESS**

The Strategic ICT and Shared Partnership Manager provided an updated on the Joint ICT Investment Strategy. He outlined the ICT challenges the Council faced at the start of the 2020. He informed Members that there had been progress on the improvement works with crucial months ahead. There had been a huge impact on the service because of the Covid-19 pandemic and the new ways of remote working.

The Strategic ICT and Shared Partnership Manager provided the following key updates to the Committee:

- Supporting the home- working environment.
- Rolled out of laptops in summer 2020 to those who requested one.
- Final stages of the network project were underway; servers, switches and other equipment for the new network were being prepared, and would go live in May 2021, which would provide more stability to users.
- The new hosted desktop would allow users to connect to the updated and

improved tools like Windows 10 with better security. This would go live in July 2021.

- Improving online services to provide more services via self-service.

Members were briefed on details of Paperless Committees Project, which would help the Council in running smooth committee meetings and combat climate change.

In discussing key issues, Members noted that the Covid-19 pandemic had created an unprecedented set of challenges. The shift in ways of working and of accessing services was fundamental and the Council needed to quickly build upon the foundations already established.

It was **RESOLVED**:

- That the Joint ICT Investment progress report be noted.

8   **REVIEW OF CORPORATE AND SERVICE GOVERNANCE ARRANGEMENTS**

The Senior Performance and Resilience Officer provided an update on the Review of the Corporate and Service Governance arrangements. She outlined the activity carried out in 2020/21 to strengthen the Council's corporate governance arrangements.

It was **RESOLVED**:

- That the progress on corporate governance enhancement activity during 2020/21 be noted.

- That the corporate governance enhancement activity identified for 2021/22 to be included in the Council's 2020/21 Annual Governance Statement be noted.

- That the progress of Service Governance Actions identified by the Service Assurance Review carried out in April 2020 be noted.

9   **URGENT PART I BUSINESS**

Audit and Statement of Accounts for 2019/20

The Strategic Director for Finance and Estate (CF) provided an update on the Audit and Statement of Accounts for 2019/20. She informed Members that the accounts had not been signed off as expected from Ernst and Young (E&Y), and she proposed a provisional date for the Audit and Statement of Account Committee meeting to be held during the week commencing Monday 26 April 2021. The Assistant Director (NP) for Finance and Estate provided further update on the matter and explained that he was confident of getting the accounts signed off on time for a meeting in the week commencing 26 April.

10   **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in Paragraphs 1 - 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.

2. That Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

11   **STRATEGIC RISK REGISTER**

The Senior Performance and Resilience Officer provided an update on the latest Strategic Risk Register. The report set out the latest Strategic Risk Register and the development on risk management issues.

Members noted the content of the report.

It was **RESOLVED**:

- That the latest Strategic Risk Register be noted.

- That the developments on risk management issues be noted.

12   **URGENT PART II BUSINESS**

None.

CHAIR

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AUDIT COMMITTEE

1. Membership – 10 (+ 1 Co-opted Independent non-elected member) to include -
- Chair - A Member who is neither a Member of the Executive nor who serves as a Scrutiny Member
- 1 Member of the Executive only

2. Quorum - 3

3. Terms of Reference

3.1 To advise or comment as appropriate on –

a) Internal Audit matters, including:-
- The Annual Internal Audit Plan
- The adequacy of management responses to Internal Audit reports and recommendations
- The Audit Partnership Manager's Annual Report and Opinion
- To consider summaries of specific internal audit reports, as requested

b) External Audit matters, including-
- External Auditors plans for auditing and inspecting the authority
- The Annual Audit & Inspection Letter from the External Auditor
- The report to those charged with governance
- Proposals from the National Audit Office over the appointment of the External Auditor
- The scope & depth of External Audit work

c) Arrangements made for the co-operation between Internal Audit, external audit and other bodies.

d) Anti Fraud & Corruption issues including the Council's policies on Anti-Fraud and Corruption, "whistle-blowing".

e) The Council's Annual Governance Statement.

f)   The Council's Constitution in respect of Contract Standing Orders, Financial Regulations.

g) The Council's Risk Management arrangements.

h) The Council's arrangements for delivering value for money.

i) The Statement of Accounts and related Capital Determinations.

j) The Council's Treasury Management Strategy.

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Stevenage Borough Council

2020/21 Annual Assurance Statement and

Internal Audit Annual Report

8 June 2021

Recommendations

> Members are recommended to:
>
> Note the Annual Assurance Statement and Internal
> Audit Annual Report
>
> Note the results of the self-assessment required by
> the Public Sector Internal Audit Standards (PSIAS)
> and the Quality Assurance and Improvement
> Programme (QAIP)
>
> Accept the SIAS Audit Charter
>
> Seek management assurance that the scope and
> resources for internal audit were not subject to
> inappropriate limitations in 2020/21

Contents

1.   Purpose and Background

Purpose of Report

1.1   This report:

a) Details the Shared Internal Audit Service's (SIAS) overall opinion on the adequacy and effectiveness of Stevenage Borough Council's (the Council) control environment. Reference is made to any significant matters and key themes.
b) Shows the outcomes of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP).
c) Summarises the audit work that informs this opinion.
d) Shows SIAS performance in respect of delivering the Council's audit plan.
e) Presents the 2021/22 Audit Charter.

Background

1.2   A key duty of the Head of Assurance is to provide an annual opinion on the Council's internal control environment. This opinion informs the conclusions of the Council's Annual Governance Statement.

1.3   The assurance opinion in this report is based on internal audit work undertaken during 2020/21. The original Internal Audit Plan was revised in response to the COVID-19 pandemic, reflecting both a reduction in the number of available audit days and to incorporate associated coverage where agreed with audit sponsors. The revised Audit Plan therefore continued to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2021/22 before the audit committee report deadline.

1.4   SIAS is grateful for the co-operation and support it has received from client officers during 2020/21.

2.   Annual Assurance Statement 2020/21

Context

Scope of responsibility

2.1   Council managers are responsible for ensuring Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. They are also responsible for ensuring internal controls are robust and risk management arrangements are appropriate.

Control environment

2.2   The control environment comprises three key areas: governance; risk management; and internal control. Together these aim to manage risk to an acceptable level, but it is accepted that it is not possible to completely eliminate it.

2.3   A robust control environment helps ensure that the Council's policies, priorities and objectives are achieved.

Review of effectiveness

2.4   The Head of Assurance must confirm annually that the internal audit function is suitably qualified to carry out the work that informs the assurance opinion.

2.5   As part of a QAIP, a self-assessment was conducted against the Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA) International Professional Practices Framework (IPPF). They promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. They highlight the importance of robust, independent and objective internal audit arrangements to provide senior management with the key assurances needed to support them in both managing the organisation and producing the Annual Governance Statement.

2.6   The 2020/21 self-assessment identified 2 areas of agreed non-conformance. These are detailed in Appendix C. There are no significant deviations from Standards which warrant inclusion in the Council's Annual Governance Statement.

2.7   The PSIAS also requires that the SIAS be subject to an external quality assessment at least once every five years. This should be conducted by a qualified, independent assessor or assessment team from outside the organisation. The next external assessment is scheduled for June 2021.

2.8   The Head of Assurance has concluded, therefore, that SIAS 'generally conforms' to the PSIAS, including the Definitions of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. 'Generally conforms' is the highest rating and means that SIAS has a charter, policies and processes assessed as conformant to the Standards and is consequently effective.

2.9   The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on these. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.

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2.10 The Head of Assurance confirms that during 2020/21 SIAS operated according to its QAIP with evidence available within the service to support the achievement of each QAIP element.
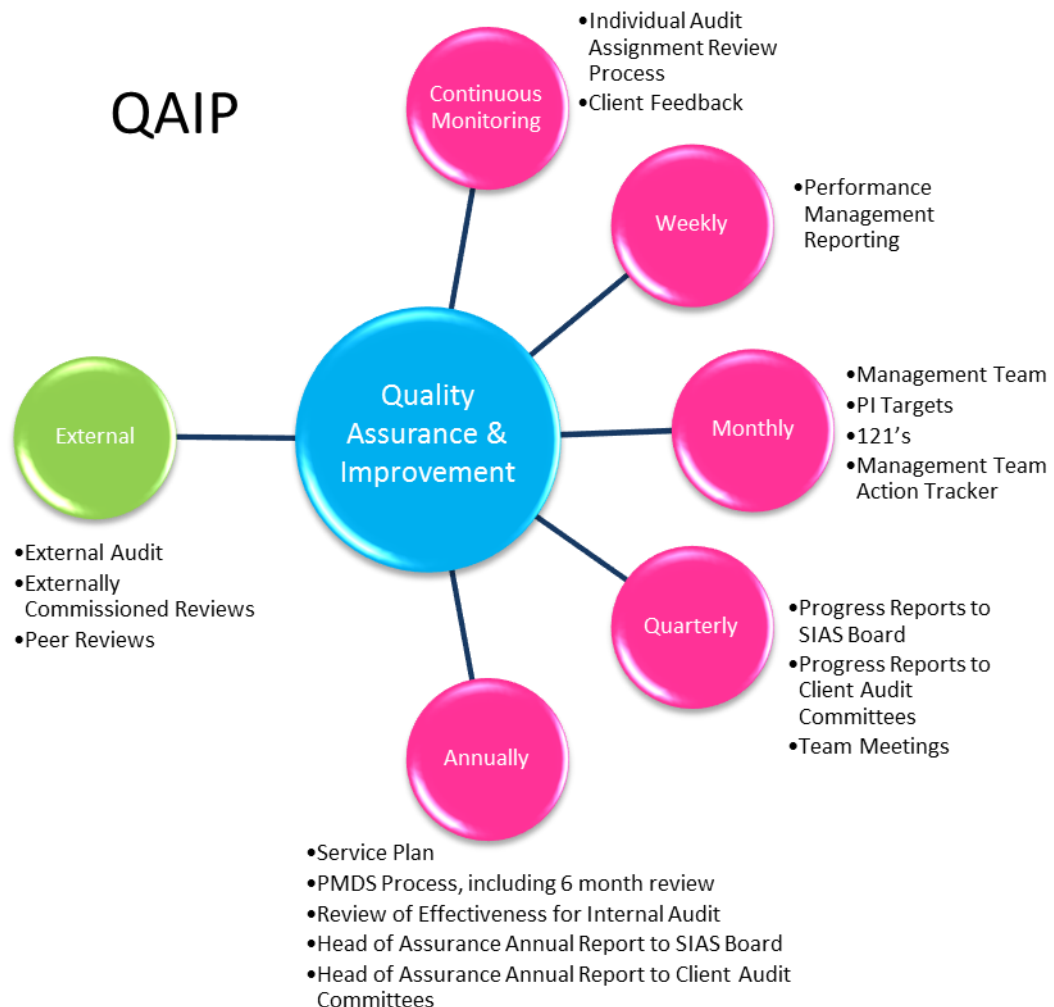
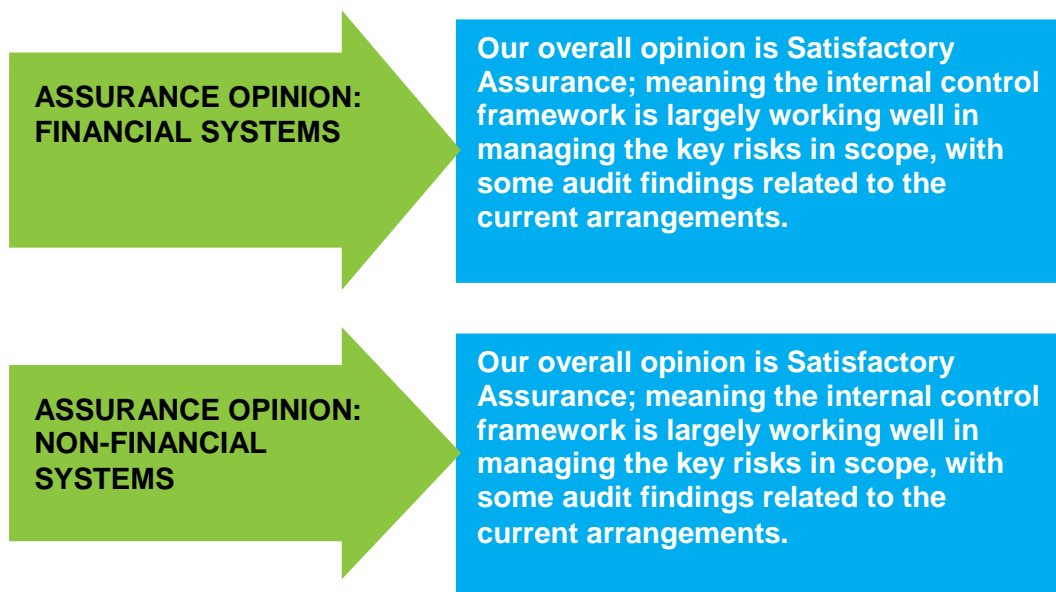*Confirmation of independence of internal audit and assurance on limitations*

2.11 The Head of Assurance confirms that during the year:

a) No matters threatened SIAS's independence; and
b) SIAS was not subject to any inappropriate scope or resource limitations.

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Annual Assurance Statement for 2020/21

Assurance opinion on internal control

2.12   Based on the internal audit work undertaken at the Council in 2020/21,
        SIAS can provide the following opinion on the adequacy and effectiveness
        of the Council's control environment, broken down between financial and
        non-financial systems.

**ASSURANCE OPINION:
FINANCIAL SYSTEMS**

**Our overall opinion is Satisfactory
Assurance; meaning the internal control
framework is largely working well in
managing the key risks in scope, with
some audit findings related to the
current arrangements.**

**ASSURANCE OPINION:
NON-FINANCIAL
SYSTEMS**

**Our overall opinion is Satisfactory
Assurance; meaning the internal control
framework is largely working well in
managing the key risks in scope, with
some audit findings related to the
current arrangements.**

Assurance opinion on Corporate Governance and Risk Management

2.13   SIAS has concluded that the corporate governance and risk management
        frameworks substantially comply with the CIPFA/SOLACE best practice
        guidance on corporate governance. This conclusion is based on the work
        undertaken by the Council and reported in its Annual Governance
        Statement for 2020/21 and the specific reviews of Risk Management and
        Corporate Governance carried out by SIAS during the year.

**Head of Assurance for the Shared Internal Audit Service
May 2021**

3. Overview of Internal Audit Activity at the Council in 2020/21

3.1   This section summarises work undertaken at the Council by SIAS in 2020/21. It highlights any significant internal control matters and opportunities for improvement.

3.2   Appendix A shows the final position against the agreed revised audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below (2019/20 data in brackets).

Assurance Level	Number of reports 2020/21 *(2019/20 data in brackets)*	Percentage of reports 2020/21 *(2019/20 data in brackets)*
Good	9 (14)	33% (41%)
Satisfactory	14 (13)	52% (38%)
Limited	2 (1)	7% (3%)
No	1 (0)	4% (0%)
Not Assessed	1 (4)	4% (12%)
Not Complete	0 (2)	0% (6%)
Total	27 (34)	100% (100%)

Recommendation Priority Level	Number of recommendations 2020/21 *(2019/20 data in brackets)*	Percentage of recommendations made 2020/21 *(2019/20 data in brackets)*
Critical	0 (0)	0% (0%)
High	6 (5)	9% (7%)
Medium	38 (38)	58% (51%)
Low	22 (31)	33% (42%)
Total	66 (74)	100% (100%)

3.3   **The Satisfactory assurance opinion overall on financial systems** (Satisfactory in 2019/20) has been concluded from ten financial systems audits. Six received Good assurance and four received Satisfactory assurance. No Critical or High priority recommendations were made across these audits. However, nine Medium priority recommendations were made (twelve in 2019/20), illustrating an overall positive direction of travel.

3.4   **The Satisfactory assurance opinion overall on non-financial systems** (Satisfactory in 2019/20) has been concluded from sixteen audits. Three audits received Good assurance, ten received Satisfactory assurance, two received Limited assurance and one received No assurance. In addition,

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one audit was classified as "Not Assessed" i.e. no audit assurance opinion was given. This was an advisory piece of work relating to the caretaking service.

3.5   In arriving at our Satisfactory assurance opinion for non-financial systems, we highlight that 81% of opinions issued for individual audits during the year were assessed as Good or Satisfactory assurance. This generally indicates the Council has satisfactory or good systems of internal control for a wide range of areas. However, it should be noted that there were some risks and impacts associated with control weaknesses in the Landlord Health & Safety and General Fund Health & Safety audits, which both received a Limited assurance opinion, and the Payment Card Industry Data Security Standards audit, which received a No assurance opinion. Six High priority recommendations were made across these three audits.

3.6   Four audits were at draft report stage at the time of writing this Annual Report, with management responses awaited. These have contributed to the assurance opinion on financial and non-financial systems for 2020/21. These audits are:

a) Creditors,
b) Debtors,
c) Digitalisation Programme, and
d) Corporate Governance.

3.7   As highlighted at paragraph 1.3 above, internal audit activity at the Council was reduced and revised in response to the COVID-19 pandemic. This meant four assignments were initially deleted from the originally approved programme of audits and further audits were cancelled or added as the year progressed (these changes were agreed by the Council's Audit Committee). In addition, the pandemic provided a backdrop that was considered during some audit assignments e.g. Housing Rents. It should be noted that no specific internal audit work relating to the pandemic was commissioned during 2020/21. However, management assurance was provided in relation to associated risks, governance arrangements and internal control.

Critical and High Priority Recommendations

3.8   Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is Internal Audit's responsibility to advise Members of progress on the implementation of critical and high priority recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date. Six high priority recommendations were made within audits carried out during 2020/21. Members will continue to receive updates on the implementation progress of critical and high priority recommendations through the SIAS quarterly progress reports to the Audit Committee.

4. Performance of the Internal Audit Service in 2020/21

Performance indicators

4.1   The table below compares SIAS's performance at the Council against the 2020/21 targets set by the SIAS Board.

Indicator	Target 2020/21	Actual to 31 March 2021
1 SIAS Planned Days – percentage of actual billable days delivered against planned billable days	**95%**	**98%**
2 SIAS Planned Projects – actual completed projects to draft report stage against planned completed projects	**95%**	**100%**
3 SIAS Annual Plan – presented to the March Audit Committee or the first meeting of the financial year should a March committee not meet.	**Deadline met**	**Yes**
4 Client Satisfaction - client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	**100%**	**100%** (8 received).
5 Head of Assurance's Annual Report – presented at the first Audit Committee meeting of the financial year	**Deadline met**	**Yes**
6 Number of High Priority Audit Recommendations agreed	**95%**	**100%** (6 agreed)

Service Developments

4.2   During 2020/21 the development activities for SIAS included:

a) Staffing – refresher training on risk and control techniques was provided
for all SIAS staff during the third quarter of 2020/21. A replacement
Senior Auditor was recruited in September 2020 following the
retirement of an existing Senior Auditor. All Senior Auditors carried out
some supervisory duties during 2020/21, such as reviewing the work of
Auditors and Trainees. This provided development opportunities and
helped compensate for a vacant Client Audit Manager post. The move
to remote working under Government pandemic restrictions resulted in
changes to some of the SIAS audit methodology e.g. the electronic
capture of audit evidence and the suspension of site visits.

b) External Quality Assessment (EQA) – preparations for the SAIS EQA,
scheduled for June 2021, began during the last quarter of the year. This
external assessment will involve a review of the service's position
against the Public Sector Internal Audit Standards (PSIAS). In advance
of the external assessment an internal self-review of procedures and
working practices was carried out. Folders of supporting material have
also been prepared to address formal PSIAS lines of enquiry within the
EQA.

c) Data Analytics – organisations are seeing increasing digitisation of their
operations. Data analytics is a powerful tool which can be incorporated
into the audit process and enhances the ability to carry out whole
population testing and continuous auditing. This in turn can enhance the
assurance provided on the management of risk and controls. Work
began in late 2020/21 to evaluate the value of data analytics to SIAS
partners, and on producing a potential strategy for acquiring the
required skillsets, thinking and methodologies.

5.   Audit Charter 2021/22

5.1   The PSIAS require a local authority to formally adopt an Audit Charter
which covers the authority and responsibility for an internal audit function.

5.2   The SIAS Audit Charter sets out the framework within which it discharges
its internal audit responsibilities to those charged with governance in the
partner councils. It details the permanent arrangements for internal audit
and key governance roles and responsibilities to ensure the effectiveness
of internal audit provision.

5.3   The Audit Charter is reviewed annually. The review in April 2021 did not
result in any fundamental changes and the 2021/22 Charter is attached at
Appendix D.

Stevenage Borough Council Audit Plan – 2020/21

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Key Financial Systems							
Creditors	Satisfactory	0	0	0	3	7.5	Draft Report Issued
Treasury Management	Good	0	0	1	0	6	Final Report Issued
Payroll	Satisfactory	0	0	1	2	9.5	Final Report Issued *
Council Tax	Good	0	0	0	0	6	Final Report Issued
Business Rates	Good	0	0	0	0	5.5	Final Report Issued *
Housing Benefits	Satisfactory	0	0	1	2	6	Final Report Issued
Cash and Banking	Good	0	0	0	0	8	Final Report Issued
Housing Rents	Satisfactory	0	0	6	1	7.5	Final Report Issued *
Main Accounting System	Good	0	0	0	3	7.5	Final Report Issued *
Debtors	Good	0	0	0	2	7.5	Draft Report Issued
Operational Audits							
Shared Anti-Fraud Service – follow up	Not Assessed	0	0	0	0	7	Final Report Issued

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2020/21 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Climate Change & Sustainability	Good	0	0	1	0	7	Final Report Issued
Community Development	N/A	-	-	-	-	0	Cancelled
Community Safety	N/A	-	-	-	-	0	Cancelled
Landlord Health & Safety	Limited	0	2	1	1	10	Final Report Issued
Digitalisation Programme	Satisfactory	0	0	1	0	9.5	Draft Report Issued
Garage Lettings	Satisfactory	0	0	4	0	10	Final Report Issued
Homelessness & Housing Advice	N/A	-	-	-	-	0	Cancelled
Housing Allocations	N/A	-	-	-	-	0	Cancelled
Housing Repairs	Satisfactory	0	0	3	0	10	Final Report Issued
Leasehold Properties	N/A	-	-	-	-	0.5	Cancelled
Licensing	Satisfactory	0	0	4	0	9.5	Final Report Issued *
On-Street Car Parking	N/A	-	-	-	-	0	Cancelled
Play Service	N/A	-	-	-	-	0	Cancelled

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2020/21 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
General Fund Property Health & Safety	Limited	0	2	1	0	9.5	Final Report Issued *
Tree Management	Good	0	0	2	0	10	Final Report Issued
Void Management	Satisfactory	0	0	1	1	10	Final Report Issued
Partnerships/Shared Services	N/A	-	-	-	-	1	Cancelled
Procurement Activity	Satisfactory	0	0	0	0	5	Final Report Issued
Regeneration – SG1	Satisfactory	0	0	1	0	9.5	Final Report Issued *
Stevenage Bus Interchange	Satisfactory	0	0	2	2	7.5	Final Report Issued *
Corporate Governance	Satisfactory	0	0	1	3	5.5	Draft Report Issued
Risk Management	Good	0	0	1	2	5.5	Final Report Issued *
IT Audits							
Hardware Acquisitions, Movement & Disposal	Satisfactory	0	0	1	0	6	Final Report Issued
Payment Card Industry Data Security Standard	No	0	2	5	0	6	Final Report Issued
Other Chargeable							

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APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2020/21 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
2021/22 Audit Planning	-	-	-	-	-	6	Complete
Plan Delivery Monitoring	-	-	-	-	-	12	Complete
Head of Internal Audit Opinion 2019/20	-	-	-	-	-	3	Complete
Client Liaison (incl CGG)	-	-	-	-	-	8	Complete
External Audit Liaison	-	-	-	-	-	1	Complete
Adhoc Advice	-	-	-	-	-	13	Complete
Audit Committee	-	-	-	-	-	12	Complete
Shared Learning and Joint Reviews	-	-	-	-	-	0	Cancelled
SIAS Development	-	-	-	-	-	5	Complete
19/20 Projects Requiring Completion	-	-	-	-	-	3	Complete
Contingency	-	-	-	-	-	40	N/A
Total		**0**	**6**	**38**	**22**	**313**	

* At Draft Report stage at 31 March 2021, Final Report issued after year end.

Key to Recommendation Priority Levels: C = Critical priority recommendations; H = High priority recommendations; M = Medium priority recommendations; LA = Low/Advisory priority recommendations.

2020/21 Definitions of Assurance and Recommendation Priority Levels

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level		Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

Section A: Conformance - During 2020/21 all areas apart from those identified in Section B below were conforming.

Section B: Intentional Non-Conformance

Ref	Area of Non-Conformance with the Standard	Commentary	
3.1a	**Purpose, Authority and Responsibility** Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE) (Head of Assurance)?	The Director of Resources, Hertfordshire County Council (HCC), in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE. This is as provided for in the governance of the Shared Internal Audit Service.	**Non-conformance** No further action proposed. The current arrangements are considered effective given the shared nature of SIAS.
3.1c	**Purpose, Authority and Responsibility** Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	The performance appraisal is carried out by the Director of Resources (HCC).	**Non-conformance** No further action proposed. The appraisal process was carried out by the Director of Resources (HCC) with input from all partner chief finance officers. The current arrangements are considered effective given the shared nature of SIAS.

Audit Charter 2021/2022

1.   Introduction and Purpose

1.1.   Internal auditing is an independent and objective assurance and consulting activity. It is guided by a philosophy of adding value to the operations of an organisation. It assists a council in achieving its objectives and ultimately provides assurance to the public by systematically evaluating and improving the effectiveness and efficiency of risk management, control and governance processes.

The purpose of the Shared Internal Audit Service (SIAS) is to provide independent, objective assurance and consulting services designed to add value and improve client operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. SIAS helps clients accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

2.   Scope

2.1.   This Charter applies to all clients of the Shared Internal Audit Service (SIAS).

3.   Statutory Basis of Internal Audit

3.1.   Local government is statutorily required to have an internal audit function. The Accounts and Audit Regulations 2015 require that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

3.2.   In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To fulfil this requirement, the S151 Officer relies, amongst other sources, upon the work of internal audit.

4. <u>Role</u>

4.1. SIAS internal audit activity is overseen by each client council's committee charged with fulfilling audit committee responsibilities herewith referred to as the Audit Committee. As part of its oversight role, the Audit Committee is responsible for defining the responsibilities of SIAS via this Charter.

4.2. SIAS may undertake additional consultancy activity requested by management. The Head of Assurance will determine such activity on a case by case basis assessing the skills and resources available. Significant additional consultancy activity not already included in the Internal Audit Plan will only be accepted and carried out following consultation with the Audit Committee.

5. <u>Professionalism</u>

5.1. SIAS governs itself by adherence to the Public Sector Internal Audit Standards (PSIAS). These standards include the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (IPPF). They set out the fundamental requirements for the professional practice of internal auditing and the evaluation of the effectiveness of an internal audit function.

5.2. SIAS also recognises the Mission of Internal Audit as identified within the IPPF, 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight' and the Core Principles for the Professional Practice of Internal Auditing, which demonstrate an effective internal audit function, achieving internal audit's mission.

5.3. SIAS operations are guided by its operating procedures manual as well as applicable, Chartered Institute of Internal Auditors (CIIA) and Chartered Institute of Public Finance and Accountancy (CIPFA) Position Papers, Practice Advisories and Guides, and relevant council policies and procedures, including compliance with the Bribery Act 2010.

5.4. Should non-conformance with the PSIAS be identified, the Head of Assurance will investigate and disclose, in advance if possible, the exact nature of the non-conformance, the reasons for it and, if applicable, its impact on a specific engagement or engagement outcome.

6. <u>Authority and Confidentiality</u>

6.1. Internal auditors are authorised full, free, and unrestricted access to any and all of a client's records, physical property, and personnel as required to carry out an engagement. All client employees are requested to assist SIAS in fulfilling its

roles and responsibilities. Information obtained during the course of an engagement is safeguarded and confidentiality respected.

6.2. Internal auditors will only use information obtained to complete an engagement. It will not be used in a manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client organisation(s). Internal auditors will disclose all material facts known which if not disclosed could distort a report or conceal unlawful practice.

7. Organisation

7.1. The Head of Assurance and their representatives have free and unrestricted direct access to Senior Management, the Audit Committee, the Chief Executive / Managing Director, the Chair of the Audit Committee and the External Auditor. The Head of Assurance will communicate with any and all of the above parties at both committee meetings and between meetings as appropriate.

7.2. The Chairman of the Audit Committee has free and unrestricted direct access to both the Head of SIAS, and the Council's External Auditor.

7.3. The Head of Assurance is line managed by the host authorities Director of Resources who approves all decisions regarding the performance evaluation, appointment, or removal of the Head of Assurance, in consultation with the SIAS Board. Each client's Section 151 Officer is asked to contribute to the annual appraisal of the Head of Assurance.

8. Stakeholders

The following groups are defined as stakeholders of SIAS:

8.1. The Head of Assurance and the Head of The Shared Internal Audit Service, both suitably experienced and qualified (CCAB and / or CMIIA), are responsible for:
- hiring, appraising and developing SIAS staff in accordance with the host authority's HR guidance
- maintaining up-to-date job descriptions which reflect the roles, responsibilities, skills, qualifications, and attributes required of SIAS staff
- ensuring that SIAS staff possess or obtain the skills, knowledge and competencies (including ethical practice) needed to effectively perform SIAS engagements

8.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Head of Assurance to account for delivery. This is achieved through the approval of the annual audit plan, approval of performance targets set by the SIAS Board and receipt of regular reports.

8.3.   The Audit Committee is also responsible for the effectiveness of the governance, risk and control environment within the Council, holding operational managers to account for its delivery.

8.4.   Where stated in its Terms of Reference, the Audit Committee provides an annual report to the Executive detailing the Committee's activities through the year. In addition, and as required, the Committee ensures that there is appropriate communication of, and involvement in, internal audit matters from the wider publicly elected Member body.

8.5.   The Head of the Shared Internal Audit Service is responsible for ensuring that the final outcome of all Internal Audit reports is reported to all members of the Audit Committee and that where applicable Executive Members receive copies of all reports that pertain to their portfolio.

8.6.   Senior Management, defined as the Head of Paid Service, Chief Officers and their direct reports, are responsible for helping shape the programme of assurance work. This is achieved through analysis and review of key risks to achieving the Council's objectives and priorities.

8.7.   The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS and reporting to the Audit Committee its findings, including:
- resourcing and financial performance
- operational effectiveness through the monitoring performance indicators
- the overall strategic direction of the shared service.

9.   Independence and Objectivity

9.1.   No element in the organisation should interfere with audit selection, scope, procedures, frequency, timing, or report content. This is necessary to ensure that internal audit maintains the necessary level of independence and objectivity.

9.2.   As well as being impartial and unbiased, internal auditors will have no direct operational responsibility or authority over any activity audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that might impair their judgment.

9.3.   When asked to undertake any additional roles/responsibilities outside internal auditing, the Head of Assurance will highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the PSIAS Code of Ethics as well as any relevant requirements set out in other professional bodies to which the CAE may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.

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9.4. The Head of Assurance will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

10. Conflicts of Interest

10.1. Internal auditors will exhibit clear professional objectivity when gathering, evaluating, and communicating engagement information. When forming judgments, they will make a balanced assessment of all relevant circumstances and not be influenced by their own interests or the views and interests of others.

10.2. Each auditor will comply with the ethical requirements of his/her professional body and proactively declare any potential conflict of interest, whether actual or apparent, prior to the start of an engagement.

10.3. All auditors sign an annual declaration of interest to ensure that the allocation of work avoids conflict of interest. Auditors who undertake consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.

10.4. SIAS procures an arrangement with an external partner to provide additional internal audit days on request. The external partner will be used to deliver engagements as directed by the Head of Assurance in particular providing advice and assistance where SIAS staff lack the required skills or knowledge.

10.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements or other benefits) the Head of Assurance will investigate and report on the matter to appropriate parties.

11. Responsibility and Scope

11.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes (as they relate to the organisation's priorities and objectives) and the promotion of appropriate ethics and values.

11.2. Internal control and risk management objectives considered by internal audit extend to the organisation's entire control and risk management environment and include:
- consistency of operations or programs with established objectives and goals, and effective performance
- effectiveness and efficiency of governance, operations and employment of resources

- compliance with significant policies, plans, procedures, laws, and regulations
- design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
- safeguarding of assets

11.3. SIAS is well placed to provide advice and support on emerging risks and controls and will, if requested, deliver consulting and advisory services or evaluate specific operations.

11.4. SIAS is responsible for reporting to the Audit Committee and senior management, significant risk exposures (including those to fraud addressed in conjunction with the Shared Anti-Fraud Service), control and governance issues and other matters that emerge from an engagement.

11.5. Engagements are allocated to (an) internal auditor(s) with the appropriate skills, experience and competence. The auditor is then responsible for carrying out the work in accordance with the SIAS Operating Procedures Manual, and must consider the relevant elements of internal control, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

12. Role in Anti-Fraud

12.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee and, where applicable, the Shared Anti-Fraud Service, seeks to help deter fraud and corruption.

12.2. In conjunction with the Shared Anti-Fraud Service, SIAS shares information with relevant partners to increase the likelihood of detecting fraudulent activity and reducing the risk of fraud to all.

12.3. The Head of Assurance should be notified of all suspected or detected fraud, corruption or impropriety so that the impact upon control arrangements can be evaluated.

13. Internal Audit Plan

13.1. Following discussion with appropriate senior management, the Head of Assurance will submit a risk-based plan to the Audit Committee for review and approval. This will occur at least annually. The plan sets out the engagements agreed by Operational Directorate Boards and subsequently the Section 151 Officer and Senior Management Board and demonstrates the priorities of both SIAS (the need to produce an annual internal audit opinion) and those of the organisation. Also included will be any relevant declarations of interest.

13.2. The plan will be accompanied by details of the risk assessment approach used and will take into account the organisation's assurance framework. Also shown will be the timing of an engagement, its budget in days, details of any contingency for new or changed risks, time for planning and reporting and a contribution to the development of SIAS.

13.3. The plan will be subject to regular review in year and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems and controls. All significant changes to the approved internal audit plan will be communicated in the quarterly update reports.

14. Reporting and Monitoring

14.1. A draft written Terms of Reference will be prepared and issued to appropriate personnel at the start of an engagement. It will cover the intended objectives, scope and reporting mechanism and will be agreed with the client. Changes to the terms of reference during the course of the engagement may occur and will be agreed following consultation with the client.

14.2. A report will be issued to management on completion of an engagement. It will include a reasoned opinion, details of the time period and scope within which it was prepared, management's responses to specific risk prioritised findings and recommendations made and a timescale within which corrective action will be / has been taken. If recommended action is not to be taken, an explanation for this will also be included.

14.3. SIAS will follow-up the implementation of agreed recommendations in line with the protocol at each client. As appropriate, the outcomes of this work will be reported to the audit committee and may be used to inform the risk-based planning of future audit work. Should follow-up activity identify any significant error or omission, this will be communicated by the Head of Assurance to all relevant parties. A revised internal audit opinion may be issued on the basis of follow-up activity.

14.4. In consultation with senior management, the Head of Assurance will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.

14.5. Quarterly update reports to the Audit Committee will detail the results of each engagement, including significant risk exposures and control issues. In addition, an annual report will be produced giving an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement) with a summary of the work that supports the opinion. The Head of Assurance will also make a statement of conformance with PSIAS, and detail the nature and reasons for any impairments, qualifications or restrictions in scope for which the Committee should seek reassurances from management.

15. Periodic Assessment

15.1. PSIAS require the Head of Assurance and the SIAS Board to make arrangements for an independent review of the effectiveness of internal audit undertaken by a suitably knowledgeable, qualified and competent individual or organisation. This should occur at least every five years.

15.2. The Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. These will include the Quality Assurance and Improvement Programme, client feedback, appraisals and shared learning with the external audit partner as well as coaching, supervision, and documented review.

15.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner's Annual Report.

16. Review of the Audit Charter

16.1. The Head of Assurance will review this charter annually and will present, to the first audit committee meeting of each financial year, any changes for approval.

16.2. The Head of Assurance reviewed this Audit Charter in April 2021. It will next be reviewed in April 2022.

Glossary of Terms

Audit Committee	The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.
Management	Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources in order to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers and their direct reports.
The SIAS Board	The Board that comprises officer representatives from the client authorities and that is responsible for the governance of the SIAS partnership
The Audit Plan	The programme of risk-based work carried out by the Shared Internal Audit Service (SIAS) on behalf of its clients
The Public Sector Internal Audit Standards	These standards, which are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide stakeholders with the key assurances they need to support them both in managing and overseeing the organisation and in producing the annual governance statement.

Note:

For readability, the term 'internal audit activity' as used in the PSIAS guidance has been replaced with 'SIAS' in this Charter.

Part I – Release
to Press

SteVenage
BOROUGH COUNCIL

Meeting:	**Audit Committee**	**Agenda Item:**
Portfolio Area:	All	
Date:	**8 June 2021**	

2020/21 Annual Governance Statement and Local Code of Corporate Governance

Author – Suzanne Brightwell, ext 2966

Contributors – All Assistant Directors, Simon Martin (Shared Internal Audit Service)

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1.   PURPOSE

1.1.   To advise Members of the Audit Committee on the content of the Council's Annual Governance Statement for 2020/21and approve the changes to the Council's Local Code of Corporate Governance.

2.   RECOMMENDATIONS

2.1.   That Members of the Audit Committee approve the changes to the Council's Local Code of Corporate Governance (Appendix One).

2.2.   That Members of the Audit Committee recommend the Council's 2020/21 Annual Governance Statement (Appendix Two), for approval by the Statement of Accounts Committee.

3.   BACKGROUND

3.1   CIPFA/SOLACE Framework and Guidance

3.1.1 In 2006, CIPFA/SOLACE produced a publication called Delivering Good Governance in Local Government: Framework and Guidance. In April 2016, CIPFA/SOLACE published a reviewed Framework and Guidance that reflects the International Framework: 'Good Governance in the Public Sector'. The purpose of the Framework is to support each local authority in developing and shaping an informed approach to governance, aimed at achieving the highest standards of governance in a measured and proportionate way.

3.1.2 The 2016 CIPFA/SOLACE Framework identifies seven core principles:

A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law

B: Ensuring openness and comprehensive stakeholder engagement

(Principles A and B are considered fundamental and applicable through principles C to G)

C: Defining outcomes in terms of sustainable economic, social and environmental benefits

D: Determining the interventions necessary to optimise the achievement of 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

3.2 Local Code of Corporate Governance

3.2.1 The Local Code of Corporate Governance is a public statement of the ways in which the Council achieves good corporate governance. This is based on the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government: Framework (2016)' and focusses on the above mentioned seven core principles.

3.2.2 The arrangements set out in the Local Code of Corporate Governance and the Annual Governance Statement will allow the Council to move ahead with its corporate planning process confident that it can address the issues for governance and risk.

3.2.3 Within Stevenage Borough Council, Corporate Governance operates to:

- Establish and monitor the Council's vision and objectives

- Facilitate policy and decision making

- Ensure compliance with policies, procedures, laws and regulations

- Ensure the economic, efficient use of resources and secure continuous improvement

- Support delivery of high quality services and effective performance management

- Identify and manage the Council's risks.

3.2.4 The Council's Local Code of Corporate Governance was last reported to this Committee on 9th June 2020. The code has recently been reviewed and is attached

for reference at Appendix A. The changes made as a result of this year's review are summarised in the table below.

Principle	Change
Principle A	Addition of new Anti-Bribery Policy and new Anti-Money Laundering Policy
Principle B	Deletion of reference to Community Strategy. There is no longer a statutory requirement for local authorities to produce a Community Strategy.
Principle B	Inclusion of reference to the Council's Co-operative Inclusive Economy Charter
Principle B	Inclusion of reference to Statement of Community Involvement
Principle B	Added new Shared Procurement Service with East Herts District Council and Hertsmere Borough Council to list of Shared Services
Principle C	Inclusion of reference to Co-operative Commercial and Insourcing Strategy
Principle F	Inclusion of reference to the Council's Health and Safety governance structure and work being carried out to embed this framework.

3.4   Annual Governance Statement

3.4.1   The Annual Governance Statement, at Appendix Two, is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively. The statement is produced annually following a review of the Council's governance arrangements and includes an action plan to address any significant governance issues identified.

3.4.2   The Accounts and Audit Regulations 2015 require publication on the Council's website of the Draft Statement of Accounts and Annual Governance Statement by 31st May and publication of the approved Statement of Accounts and Annual Governance Statement by 31st July.

3.4.3   However, in response to the COVID-19 pandemic, the publication date for the 2020/21 draft Statement of Accounts and Annual Governance Statement has moved to 31st July 2021. The publication of the final, audited accounts and approved Annual Governance Statement has been moved to 30th November 2021.

3.4.4   Due to this extended timeline there may need to be further revisions to the Annual Governance Statement, to reflect any significant governance updates between now and the date of approval of the Statement of Accounts. These changes will be reported to the Audit Committee which will meet prior to the Statement of Accounts Committee in November 2021.

3.4.5 The Council has an agreed local framework for compiling the Annual Governance Statement. Arrangements for governance in 2020/21 have been reviewed in accordance with this local framework, as outlined below:

- Review existing governance arrangements against the CIPFA/SOLACE Framework.

- Update the Council's Local Code of Governance in accordance with this review.

- Identify systems, processes and documentation that provide evidence of compliance.

- Identify the issues that have not been addressed adequately in the Council and consider how they should be addressed.

- Identify the individuals who will be responsible for undertaking the actions required and plan accordingly.

- Prepare the 2020/21 Annual Governance Statement.

- Consideration of Annual Governance Statement by senior management prior to consideration by Audit Committee. The Annual Governance Statement was considered at the Senior Leadership Team meeting on 4th May 2021.

- In year monitoring of the Council's status of corporate governance carried out by Corporate Governance Group which is chaired by the Strategic Director (Chief Finance Officer).

3.4.6 Actions to enhance governance arrangements as a result of the above review were reported to Audit Committee at its meeting on 19th March 2021.

3.4.7 Actions identified which are recommended for inclusion in the Annual Governance Statement by the Shared Internal Audit Service, or are considered important in the management of 'very high/high level' strategic risks, are set out in the Annual Governance Statement on pages 30 to 33. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and associated delivery of priority outcomes should be addressed.

3.4.8 Actions included in the Annual Governance Statement (pages 30 to 33) for 2021/22 are:

- Implementation of the key actions identified in the General Fund Asset Management Strategy Action Plan to undertake Local Asset reviews of the Council's land and buildings.

- Continue to ensure good governance of the key regeneration projects and ensure contracts, business cases and adequate funding is available to carry out the regeneration work as planned.

- Respond as required to the Government's Local Government Reform and Devolution White Paper.

- Delivery of the Council's Commercialisation Strategy and Action Plan.

- Ensure there is a clear governance structure through a corporate landlord function and ensure compliance of the Council's non-housing property by implementing new Asset Management systems and governance arrangements

- A programme of work in response to the COVID-19 pandemic to enable recovery from the effects of the virus in the town.

- The Shared IT service to continue to implement a programme of activity to enhance the Council's IT infrastructure, cyber security, governance arrangements, policy framework and resilience.

- Continue to further enhance Health and Safety arrangements to ensure health and safety compliance and performance across the Council.

- Implementation of a transformation programme to deliver a productive and resilient Council which can deliver the Council's strategic priorities, protect outcomes for residents and provide excellent customer experiences.

- Implement a programme of activity to minimise the socio-economic impacts of welfare reform, the Covid-19 pandemic and an economic downturn.

- Enhance compliance with Payment Card Industry Data Security Standards

- Continue to work with the Council's leisure contractor to ensure the recovery of leisure services from the Covid-19 pandemic.

3.4.9 Corporate Governance Group will monitor the delivery of governance actions, including the actions mentioned above.

3.4.10 The signatories to the Annual Governance Statement (The Leader of the Council and the Chief Executive) must be satisfied that the Council's governance arrangements continue to be fit for purpose and that significant actions identified to enhance governance arrangements are being addressed.

3.5 Corporate Backbone

3.5.1 The Council's corporate governance arrangements are evidenced by a number of policies, plans, processes and monitoring arrangements which are referred to as 'The Corporate Backbone' of the Council. The Corporate Backbone is attached as Appendix Three for reference.

3.6 2020/21 Audit Opinion

3.6.1 The Shared Internal Audit Service (SIAS) has assigned 'Satisfactory' assurance for both financial systems and non-financial systems for 2020/21: meaning the internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.

3.7 Service Assurance Statements

3.7.1 All Assistant Directors have completed a Service Assurance Statement. The Service Assurance Statement provides assurance that governance arrangements operated

effectively during 2020/21 in respect of the business units for which the Assistant Director has responsibility. Actions which have been identified to improve governance arrangements in business units are outlined in Appendix Four together with progress of the actions identified last year.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The Council's Local Code of Corporate Governance (Appendix One) has been updated to reflect changes to the Council's governance arrangements since its last review in June 2020 and Audit Committee is required to agree the revised Local Code of Corporate Governance.

4.2 The Annual Governance Statement (Appendix Two) must be considered by the Audit Committee before accompanying the Statement of Accounts.

4.3 The Annual Governance Statement is intended to provide public assurance that the Council has sound governance arrangements, including a sound system of internal control, designed to help manage and control business risk. The document is an important public expression of the arrangements the Council applies to achieve good business practice, high standards of conduct and sound governance.

5. IMPLICATIONS

5.6 Financial Implications

4.1.1. Robust scrutiny of the Council's Annual Governance Statement and Framework applied in line with best practice will further strengthen the Council's sound base of strong financial management and assist in reducing risk.

4.2. Legal Implications

4.2.1. It is a requirement of the Accounts and Audit (England) Regulations 2015 that the council publishes an Annual Governance Statement.

4.3. Risk Implications

4.3.1. A strong internal control environment contributes to the overall effective management of the Council and will minimise the risks of the Council failing to achieve its ambitions and priorities, and service improvements.

4.3.2. Without robust governance arrangements, there are potential service continuity and reputation risk implications.

4.4. Equalities and Diversity Implications

4.4.1. Officers responsible for the delivery of any improvement actions identified will also be responsible for completion of any relevant Equality Impact Assessments.

4.5. Other Corporate Implications

4.5.1. All aspects of the work of the Council are affected by its corporate governance arrangements, as well as the Council's partners in service delivery and other agencies with which the Council shares information. External bodies in particular,

need to have confidence in the way the Council operates and this can be achieved by demonstrating robust governance arrangements that are fully embedded.

5.   BACKGROUND DOCUMENTS

- CIPFA/SOLACE, 'Delivering Good Governance in Local Government (2016 Framework and Guidance)

- CIPFA/IFAC International Framework 'Good Governance in the Public Sector (published August 2014)

- Stevenage Borough Council's Local Framework for compiling the AGS

6.   APPENDICES

- Appendix One – Local Code of Corporate Governance (June 2021)

- Appendix Two – 2020/21 Annual Governance Statement

- Appendix Three – Corporate Backbone

- Appendix Four – Service Assurance Report

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Stevenage Borough Council
Local Code of Corporate Governance

Version:	Audit Committee June 2021
Status:	For Audit Committee June 2021
Last update to Guide	May 2021
Next review of Guide due:	May 2022

> # Stevenage Borough Council
> # Local Code of Corporate Governance

This Local Code is underpinned by the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework: 2016* and summarises policies, procedures, behaviours and values by which the council is controlled and governed.

The CIPFA/SOLACE *Delivering Good Governance in Local Government Framework* sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities in individually reviewing and accounting for their own unique approach with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities
- There is sound and inclusive decision making
- There is clear accountability for the use of these resources in order to achieve desired outcomes for service users and communities.

Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

The CIPFA/SOLACE *Delivering Good Governance in Local Government Framework: 2016,* sets out seven core principles of governance as detailed in the diagram below. Stevenage Borough Council confirms its commitment through the adoption, monitoring and development of this Local Code of Corporate Governance.

This diagram illustrates how the various principles for good governance in the public sector relate to each other. Principles A and B permeate the implementation of Principles C to G

Local Code of Corporate Governance

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Member and Officer Codes and Protocols
The standards of conduct and personal behaviour expected of Members and Officers of the council, its partners and the community, are defined and communicated through codes of conduct and protocols, such as Member/Officer Protocols, Officers' Code of Conduct and Members' Code of Conduct.

There is an expectation that Members will have regard for the seven principles of public life (the Nolan Principles), as set out in Section 26 of the Localism Act 2011. The seven principles of public life are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These principles are readily accepted by the council as underpinning all local government activity.

Organisational values and behaviours
The council has adopted a set of organisational values and these are underpinned by a behaviour framework for staff. The values are included in all staff development programmes, in the Appraisal and Personal Development process and in all HR policies.

Complaints regarding Member Conduct
Complaints about Members and allegations that a Member has breached the Code of Conduct would be dealt with by the Standards Committee and the Borough Solicitor (Monitoring Officer) under the Localism Act 2011. In addition, the Council has appointed an Independent Person, to consult on alleged breaches to the Member Code of Conduct.

Complaints regarding Officer conduct
Allegations that an officer has breached the Employee Code of Conduct are dealt with by the officer's Line Manager in the first instance, and, if escalation is required, the council's Disciplinary Policy and procedures would be instigated.

Constitution
The Council has an approved Constitution which details how the Council operates, how decisions are made, including delegation of decisions and the procedures that are to be followed to ensure that these are efficient, transparent, lawful and accountable to local people. Each of the council's member committees have terms of reference and these are reviewed and updated to reflect any changes to legislative and regulatory requirements.

Standards Committee
The Council has a Standards Committee to ensure the promotion and maintenance of high standards of conduct by members and co-opted members of the council. The terms of the reference for this committee are contained in the council's Constitution.

Information needs of Members
Pre-committee briefings are held with Committee Chairs prior to committee meetings (as required). The Leader and Chief Executive have weekly one to one meetings. The Leaders of the two Opposition groups also have regular meetings with the Chief Executive. Strategic Directors and Assistant Directors meet with their relevant Portfolio Holders on a regular basis to brief them on all aspects within their remit.

Regulation Guidance
The council has developed policies and procedures to ensure that its officers act in accordance with relevant legislation in the performance of its functions, e.g.

- Anti-fraud and Corruption Policy
- Register of Interests
- Register of Gifts and Hospitality
- Whistle-Blowing Policy
- Contract Standing Orders
- Financial Regulations
- Procurement Policy
- Anti-Bribery Policy
- Anti-Money Laundering Policy

Ethical compliance
The council has a number of policies, plans and guidance agreed at Member level which includes ethical compliance and awareness, e.g. Local Plan, Corporate Procurement Policy, and Planning Policy.

Member and Officer Training
Member and Officer Induction and training ensures Members and Officers are aware of their legal and ethical responsibilities.

Chief Financial Officer
The role of the Chief Financial Officer conforms to that set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015).

Monitoring Officer
The role of the council's Monitoring Officer (Borough Solicitor) conforms to Section 5(1) of the Local Government and Housing Act 1989.

Customer Feedback
A customer feedback system is in place to record feedback and complaints – learning from feedback & complaints facilitates effective monitoring of information provided by customers to review service quality. The council uses Gov-metric to identify customer satisfaction with council services.

Regulation of Investigatory Powers Act 2000
The Council ensures the requirements of the above Act are followed for any direct covert surveillance which is carried out and any such activity is reported quarterly to Corporate Governance Group and is reflected in the Annual Governance Statement. All authorising officers are trained in accordance with the Act.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Partnership Arrangements
The council has the following key Partnerships:
- Stevenage Together (this includes: Community Safety Partnership, Healthy Stevenage Partnership, Social Inclusion Partnership, Economic Taskforce)
- Stevenage Leisure Limited

- Stevenage Development Board

Annual Report
An Annual Report is published that sets out the council's achievements against the outcomes and priorities in the Corporate Plan, reporting progress over the last year against planned objectives and setting out future plans.

Communication and Engagement
The Council has a Community Engagement Framework which provides a clear overview of ways in which the Council engages with communities across Stevenage.

Stevenage Chronicle, which is the Council's quarterly magazine for residents, provides the latest information about Council initiatives and services, community news and events.

The council uses a variety of response methods, including its website, social media and traditional methods such as surveys and focus groups to communicate with its residents and stakeholders.

A Residents Survey is carried out every two years inviting residents to share their views on the town and council services. The results are used to inform future service priorities and resource allocation, including budget setting. Housing Tenant surveys are also carried out as required.

The Chief Executive has a programme of staff communications, which includes regular staff briefings to brief and involve staff in the decisions that affect the future direction of the council.

The Council's intranet also provides staff with updates, news, blogs and information.

Co-Operative Inclusive Economy Charter
The Council has a co-operative Inclusive Economy Charter to encourage residents and businesses to work together to help protect Stevenage's economy and support the Council's approach to Community Wealth Building.

Stakeholder attendance at Council meetings
The press and public are admitted to all Council, Executive and Committee meetings, subject to the Access to Information Rules in Part 4 of the Council's Constitution.

Decision making practices
Reports are produced on a standard template to facilitate understanding and ensure they are supported by comprehensive assessment of the legal, financial, risk and other implications of any proposed recommendations. All reports with legal or financial implications are checked by the Borough Solicitor/Chief Financial Officer prior to consideration at committee. Other professional advice (where sought) is referred to in the report.

The council complies with its responsibilities as set out in the Constitution in relation to notice of meetings, publication of agendas and reports and access to information reflect the Local Authorities (Executive Arrangements) (Meetings and Access Information) (England) Regulations 2012.

Publication Scheme
The council aims to make as much information available on its website through its Publication Scheme. Exceptions to this are in relation to information that is subject to the exemptions set out in the Freedom of Information Act.

Statement of Community Involvement
The Planning and Compulsory Purchase Act 2004 requires all local authorities to prepare a Statement of Community Involvement (SCI). The Council's SCI sets out a framework to ensure that

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comprehensive and effective public engagement takes place throughout all stages of the planning process.

Shared Service arrangements
The council has established shared service arrangements in order to provide service delivery benefits and added value, with other Hertfordshire local authorities as outlined below

- Internal Audit
- Housing Benefits and Local Taxation
- ICT
- Anti-Fraud.
- Building Control
- Legal
- Hertfordshire Home Improvement Agency
- Procurement

Shared service arrangements for all the above shared services involve both Member and senior management oversight from all participating partners.

Research and benchmarking
The Housing Service is a member of HouseMark which delivers a robust and sophisticated data analysis and benchmarking service.

A number of other services use research and benchmarking to inform service delivery.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Future Town, Future Council
The Future Town Future Council (FTFC) programme is guiding the Council in terms of its future strategic focus and resource allocation. The FTFC programme consists of nine key programmes that aim to deliver improved outcomes and real change for Stevenage residents.

Corporate Plan:
The council's Corporate Plan: Future Town, Future Council sets out the Council's vision and the outcomes and objectives the council wants to achieve over the Plan's lifespan. The Plan incorporates the council's FTFC ambitions, projects and the change programme. It guides the strategic policy framework for the council, ensuring that services consider the council's key priorities in service planning and resource allocation. A summary action plan has also been developed that communicates simply the key objectives to be achieved each year.

Equality Impact Assessments are completed prior to the development and delivery of policy, strategy, projects and services or prior to making decisions that could impact on people.

Local Plan
The Local Plan sets out how Stevenage will develop in the future and guide development within the town until 2031. The Plan sets the planning policies up until 2031.

Local Development Scheme
An updated Local Development Scheme was agreed by Executive in April 2019. The Scheme sets out milestones for the examination of the Local Plan and its adoption. It also sets out timeframes

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for the adoption of the Community Infrastructure Levy and a new Area Action Plan relating to the Railway Station area.

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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

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Medium Term Financial Strategy
The Medium Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including council tax levels, capital funding and treasury management. This strategy underpins the Council's key priorities for Stevenage as set out in the FTFC agenda and other strategic documents of the Council. The key aim of the Strategy is to facilitate the Council in achieving the outcomes set out in those documents, by setting out MTFS principles, which generates the need for Financial Security targets, identifies financial pressures and any additional resources for priorities to ensure the Council has a financially sustainable plan.

Assets and Capital Group
The Officer's Assets and Capital Group ensures effective arrangements are in place for the design and delivery of capital projects and resources.

Financial Management
Financial management arrangements conform to the governance requirements of the CIPFA Statement. The council consults with local residents, partners and other stakeholders to seek their views on planning, prioritising and monitoring of services and the feedback has been used to inform budget setting and the council's Medium Term Financial Strategy.

Housing Revenue Account Business Plan
The Housing Revenue Account (HRA) Business Plan is the council's 30 year strategic plan for managing and maintaining its housing stock. It sets out the council's short-to-medium term plans and priorities for its housing management services and provides a long term perspective on stock investment and financial plan. The Council's HRA Medium Term Financial Strategy looks at these plans over a five year horizon in greater detail setting out the principles which generates the need for Financial Security targets. Monthly meetings focus on the monitoring and delivery of the HRA Business Plan.

The HRA Medium Term Financial Strategy underpins the Council's key housing priorities for Stevenage as set out in the FTFC agenda 'Excellent Council Homes' and 'Housing Development' and in the Housing Asset Management Strategy. The Council continues to work co-operatively with housing customers to help shape these priorities and associated programmes.

Leaders Financial Security Group
The Leaders Financial Security Group reviews the MTFS, savings and growth options prior to approval by the Executive and Council.

Capital Programme and Strategy
The Council has a five year Capital Strategy. The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and sets out any associated risks. As a result of changes to the Prudential Code, this Strategy now shows how capital financing and treasury management activity contribute to the provision of services and implications for future financial sustainability. All capital schemes are regularly reviewed and prioritised to determine whether they should be included in the Capital Strategy. The

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Officers' Capital Group ensures that effective arrangements are in place for the design and delivery of capital projects.

Housing Asset Management Strategy
The five year Housing Asset Management Strategy and action plan for implementation of the strategy over the next five years was approved in March 2019. The Strategy sets out the underlying principles which sit behind excellent asset management and the key strategic projects and programmes to ensure the council derives maximum value for its assets whilst providing high quality homes for its tenants. The Strategy will allow the Council to meet its strategic goals of having fit for purpose, safe, well maintained and well-presented housing stock, with a view to optimising housing development opportunities where appropriate.

General Fund Asset Management Strategy
The General Fund Asset Management Strategy and rolling five year action plan guides the Council's future strategic property decisions to make sure the estate is managed sustainably and efficiently so it can adapt and remain fit for the future, and help the Council meet its FTFC aims. The Strategy sets out clear financial targets to achieve during the next five years to meet the council's financial challenges. To help reach these financial targets, the Strategy recommends seven clear areas for change, including undertaking local asset reviews to identify new opportunities to release surplus land and buildings for sale and opportunities to generate new sustained revenue income as well as improving efficiency and utilisation of assets with partners. The Strategy will remain in place until 2023 and the Action Plan is the key change document and main focus, to be updated annually. A Local Asset Review Board has been established and an approach to the review has been agreed by the board

Co-operative Commercial and Insourcing Strategy
The Council's Co-operative Commercial and Insourcing Strategy 2020-2023 outlines the Council's approach to operating more commercially. This will be achieved through maximising opportunities to insource services, the delivery of business process improvements and the generation of new or enhanced sources of revenue. The Commercialisation and Investment Executive Committee provides strategic direction to enable, oversee and support the development of co-operative commercial and insourcing programmes of work.

Budget Monitoring
Key Financial Indicators are reported to senior management. The council undertakes a complete review of all revenue and associated budgets on a quarterly basis and any budget changes are reported quarterly to Executive. Assistant Directors receive regular budget monitoring reports and meet regularly with their Finance Business Partners.

Financial Regulations and Contract Standing Orders
Financial Regulations and Contract Standing Orders are reviewed as required, with any proposed amendments put forward to Council for approval.

Member Financial Training
Statement of Accounts and Treasury Management training is carried out as required for Audit Committee and Statement of Accounts Committee members.

Housing Management Board
The Housing Management Board acts as an advisory body to the Executive for council housing related matters, including participation in the HRA budget-setting process and the development of the HRA Business Plan.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing Member and Officer Capacity and Capability
The Council uses a Human Resources Management system to support workforce planning, training, development and the implementation of the Council's competency framework structure. The Council's Competency Framework provides a map of behaviours, as well as the skills, that are valued and recognised by the Council.

The council has a number of measures and work streams in place to ensure member and officer capacity and capability. These include:
- An overarching Workforce Strategy 2020-2023
- A workforce planning process
- A HR Business Partnering service which supports the development and implementation of workforce plans
- A member development programme and a member induction programme
- A Leadership Development Programme for senior management.
- A Middle Manager Leadership and Management Development programme.
- Corporate Learning and Development Programmes
- A dynamic real time Appraisal Policy and Procedure (Real Conversations)
- An Apprenticeship programme and 5 Kickstart Apprenticeships Starts approved
- E-learning for new and existing staff
- Induction training via e-learning and targeted induction training.

Job Descriptions
Job descriptions for senior management roles specify that they must support the Council's Executive in its strategic leadership role, providing clear, timely and effective advice and support as appropriate on strategic issues and initiatives.

Member/Officer Protocols
The Council has a 'Protocol for Relationships between Members and Officers' which has been approved by the Council's Standards Committee who monitor its operation.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Risk Management Policy and Guide
The council has a Risk Management Policy and Guide as wells as a 'Pocket Risk Management Guide.' Member and Officer risk training is provided as required.

Corporate Risk Group
A Risk Management Group meets quarterly to oversee and review the reporting process and the development of the council's approach to risk. The Chair of Audit Committee and the Members' Risk Champion are members of this group.

Strategic Risk Management
Strategic risks are linked to the council's ambitions and priorities. The Strategic Risk Register is monitored, on a quarterly basis, by senior management to ensure levels assigned and mitigation proposed is appropriate and being delivered, then considered at Audit Committee. The Resources

Portfolio Holder is the Council's nominated Member Risk Management Champion and assists with embedding risk management in the business of the Council.

Operational Risk Management
Operational risk registers are developed and monitored by the relevant Assistant Director. Action plans are developed to mitigate key risks and delivery monitored. In addition, a process of operational risk peer challenge helps to embed and enhance the quality of operational risk management. Any risks identified for escalation to strategic level are added to the quarterly review of the Strategic Risk Register.

Programme Risk Management
Programme risks are identified for programmes and capital schemes. Risks are added to the Strategic Risk Register where appropriate. Governance arrangements are in place to facilitate senior management overview of more detailed programme risks.

Corporate Governance Group
A Corporate Governance Group meets four times a year to consider the governance framework from the perspective of the seven core principles of corporate governance. Corporate Governance Group reviews the Council's compliance with the behaviours that make up the seven core principles of corporate governance and monitors any actions identified in order to maintain compliance.

Service Assurance
At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year. The result of this assessment is reported to Audit Committee as an appendix to the Annual Governance Statement. Progress against any service governance actions identified as a result of this review are monitored and reported back to Audit Committee twice a year.

Performance monitoring
Strategic insight data is captured through the monitoring of two programmes. The Future Town, Future Council programme provides an update on progress being made across the nine FTFC programmes. The corporate programme includes key strategic performance measures that are monitored quarterly by the Executive and senior management. Improvement activity for the measures that are not achieving or forecast not to achieve target are discussed by senior management quarterly prior to Executive.

Data Quality
The council has a Data Quality Policy which outlines the council's commitment to ensuring data quality and arrangements are in place to monitor the data quality of performance data.

Data Sharing
Data processing protocols and agreement exist for council services which are required to share data with other bodies.

Overview and Scrutiny
The Council has an Overview and Scrutiny Committee and two Select Committees. The terms of reference of the Scrutiny committees meets statutory regulations. All Executive decisions are subject to call-in by the Overview and Scrutiny Committee unless there is an overriding reason for urgency.

Audit Committee
Audit Committee, constituted in line with CIPFA best practice, comments on internal and external audit matters, as set out in the council's Constitution. The Committee is supported by an

independent representative. The Committee receives training on the Statement of Accounts and Treasury Management processes as required.

Anti-Fraud and Corruption
A Shared Anti-Fraud service provides a robust and resilient fraud prevention, detection and investigation service in relation to non-benefit and corporate fraud. The service updates Audit Committee every quarter on the work it has carried out.

The council's Anti-Fraud and Corruption and Whistle-Blowing Policies as wells as an Anti-Bribery Policy and an Anti-Money Laundering Policy are all available on the council's intranet.

Information and Records Governance
Overall responsibility for information management at the Council has been assigned to the Council's Records Governance Manager, who is also the Council's Data Protection Officer. The Council has a Corporate Information Governance Group, which oversees the Council's information governance arrangements.

The Council has identified and documented its information assets and data flows and developed an information asset register. The Council has an Information Management Policy and a Security Incident Management Policy which define the Council's procedures with regards to information governance and the management of data security incidents. Document retention guidance has been produced which includes a defined and enforced corporate records retention schedule in line with the requirement of the GDPR and good practice. There are also defined procedures in place for the disposal and destruction of information.

Data protection breaches are reported quarterly to Corporate Governance Group.

Health and Safety
To ensure and maintain corporate wide oversight and clarity on health and safety compliance and performance across the Council, a corporate health and safety governance structure is in place that provides assurance to senior management that health and safety assessments and activity across the Council are being effectively managed. Embedding of the Health and Safety framework is being achieved by a process of internal and external audits, peer reviews, shadow health and safety inspections, risk assessment reviews, training to upskill managers, health and safety group meetings, hazard monitoring and action plans.

Business Continuity
The Council has business continuity plans for all of its key services and a Corporate Business Continuity Plan is in place to manage the corporate response to an incident.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Annual Report
An Annual Report is published that sets out the council's achievements against the outcomes and priorities in the Corporate Plan, reporting progress over the previous year against planned objectives and setting out future plans.

Annual Governance Statement
The council produces an Annual Governance Statement, which is reported to Audit Committee and approved by the Statement of Accounts Committee. The Annual Governance Statement contains

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information regarding the effectiveness of the council's governance, risk management arrangements and control provided by the internal auditor.

The council monitors governance arrangements for shared services and this is reflected in the Annual Governance Statement.

Data Transparency Code
Information required for publication in Part 2 of the Code is published on the council's website and updated in line with publication guidelines.

Publication Scheme
The council aims to make as much information available on its website through its Publication Scheme as possible. Exceptions to this will be information that is subject to the exemptions set out in the Freedom of Information Act.

Internal Audit
The council's internal audit provision is delivered by the Shared Internal Audit Service (SIAS) hosted by Hertfordshire County Council. The service complies with CIPFA's Statement on the role of the Head of Internal Audit and operates to Public Sector Internal Audit Standards.

The Head of Assurance confirms to Audit Committee the 'Fitness for Purpose' of internal audit to carry out the work that informs the assurance opinion each year.

For each audit, SIAS issues a Final Audit Report and this is signed off by management together with an agreement to implement the recommendations that have been made. Progress regarding implementation of audit recommendations is monitored by the Performance and Improvement Team and areas of concern are escalated to Corporate Governance Group/Corporate Risk Group.

SIAS reports to Audit Committee quarterly regarding progress against the Audit Plan and the implementation status of high priority recommendations.

Website
The council's website follows common web standards and government guidelines to the World Wide Web Consortium Web Accessibility Initiative's 'Double A' standard.

Statement of Accounts
The Statement of Accounts, which are available to the public, contains the council's final accounts for the year and gives financial information on all the services, including shared services, provided by the council during the year, as well as the council's financial position at the year end. The Statement of Accounts is reported to Members at the Statement of Accounts Committee meeting and published annually as per statutory deadlines/requirements.

Annual Audit Letter
Each year the council's external auditors, in their Annual Audit, letter advise whether they consider the council's financial statement gives a true and fair view of the financial position of its expenditure and income for the year.

Stevenage Borough Council's
Annual Governance Statement 2020/21

What is Corporate Governance?

Corporate governance is both the policies and procedures in place and the values and behaviours that are needed to help ensure the organisation runs effectively, can be held to account for its actions and delivers the best possible outcomes for the community with the resources available. Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

Achieving the intended outcomes whilst acting in the public interest

Figure 1: International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) '**Achieving the Intended Outcomes While Acting in the Public Interest at all Times' – The International Framework**

The CIPFA/SOLACE* *Delivering Good Governance in Local Government Framework* sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in developing and shaping an informed approach to governance, aimed at achieving the highest standards of governance in a measured and proportionate way.

(CIPFA – Chartered Institute of Public Finance and Accountancy, SOLACE – Society of Local Authority Chief Executives and Senior Managers, IFAC – international Federation of Accountants)*

The Framework is designed to assist authorities with the review of the unique local governance arrangements in place with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities.
- There is sound and inclusive decision making.
- There is clear accountability for the use of these resources to achieve desired outcomes for service users and communities.

The Council's responsibility in relation to Corporate Governance

Identifying Local Governance Arrangements

Stevenage Borough Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards and that public money is safeguarded, 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.

In discharging this overall responsibility, Stevenage Borough Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

Stevenage Borough Council has adopted a Local Code of Corporate Governance that sets out a commitment to corporate governance and summarises the governance arrangements in place to enable the Council to monitor the achievement of its strategic objectives, to consider whether those objectives have enhanced delivery of appropriate cost effective services and outlines the activities through which it accounts to and engages with its communities. The Local Code reflects the core and sub-principles outlined in the 2016 CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'

The Council's Local Code of Corporate Governance is reviewed and approved by Audit Committee each year. It was last approved by Audit Committee at its meeting on 9th June 2020 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting on 8th June 2021 for approval.

This Annual Governance Statement explains how the Council has continued to comply with the Local Code, summarises the review of its governance arrangements and identifies areas of governance to be strengthened and outlines actions to strengthen areas identfied.

The Statement also meets the statutory requirements in section 6 of the 2015 Accounts and Audit (England) Regulations, which requires all relevant bodies to prepare an Annual Governance Statement.

How do we know our arrangements are working?

The Local Governance Framework – How the Council monitors arrangements in place

The local Governance Framework outlines the process the Council applies to review corporate governance arrangements. The system of internal control is a significant part of the 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 of those risks being realised and the impact should they materialise, and to manage them efficiently, effectively and economically.

Stevenage Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of local governance arrangements including the system of internal control.

Governance monitoring and assurance arrangements

The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Assurance's Annual Report, and also by comments made by external auditors and other review agencies and inspectorates.

To monitor and maintain the effectiveness of the Council's governance arrangements and drive continuous improvement:
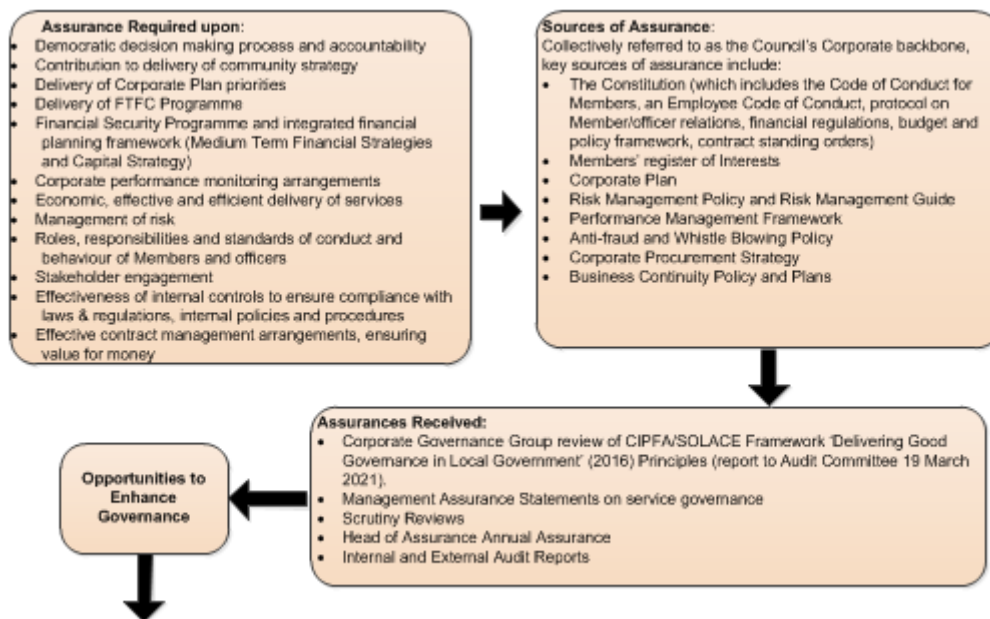
- A Corporate Governance Group meets four times a year to consider governance arrangements from the perspective of the seven core principles of corporate governance in the CIPFA/SOLACE Framework - the seven core principles are set out in the diagram on pages one and seven.

- In addition to this proactive in-year review, an annual review of compliance with the behaviours that make up the seven core principles of corporate governance in the CIPFA/SOLACE Framework is carried out.

- At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year.

- Corporate Governance Group also consider whether any recommendations as a result of external or internal audit activity (and other review agencies and inspectorates), and the Head of Assurance Annual Report, require inclusion in the Statement.

All of these mechanisms of review contribute to overall assurance for the 2020/21 Annual Governance Statement. A summary of the types of assurance required, sources of assurance, assurance received and planned enhancement actions is represented on the next page (page 4). More detail is provided throughout the Annual Governance Statement.

The preparation and publication of the Annual Governance Statement in accordance with the requirements set out in the 'Delivering Good Governance in Local Governance' Framework (2016) fulfils the statutory requirement for the annual review of the effectiveness of systems of internal control meeting the requirement for 'preparation in accordance with proper practice'.

The Governance Framework summarised in this Statement 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.

Figure 2: Overview of sources of assurance to inform review of effectiveness and identification of governance enhancements.

Assurance Required upon:
- Democratic decision making process and accountability
- Contribution to delivery of community strategy
- Delivery of Corporate Plan priorities
- Delivery of FTFC Programme
- Financial Security Programme and integrated financial planning framework (Medium Term Financial Strategies and Capital Strategy)
- Corporate performance monitoring arrangements
- Economic, effective and efficient delivery of services
- Management of risk
- Roles, responsibilities and standards of conduct and behaviour of Members and officers
- Stakeholder engagement
- Effectiveness of internal controls to ensure compliance with laws & regulations, internal policies and procedures
- Effective contract management arrangements, ensuring value for money

Sources of Assurance:
Collectively referred to as the Council's Corporate backbone, key sources of assurance include:
- The Constitution (which includes the Code of Conduct for Members, an Employee Code of Conduct, protocol on Member/officer relations, financial regulations, budget and policy framework, contract standing orders)
- Members' register of Interests
- Corporate Plan
- Risk Management Policy and Risk Management Guide
- Performance Management Framework
- Anti-fraud and Whistle Blowing Policy
- Corporate Procurement Strategy
- Business Continuity Policy and Plans

Assurances Received:
- Corporate Governance Group review of CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) Principles (report to Audit Committee 19 March 2021).
- Management Assurance Statements on service governance
- Scrutiny Reviews
- Head of Assurance Annual Assurance
- Internal and External Audit Reports

Opportunities to Enhance Governance

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability
No significant governance enhancement required

C. Defining outcomes in terms of sustainable, economic and environmental benefits
Implementation of the General Fund Asset Management Strategy
Programme of activity in response to the COVID-19
Response to Socio-Economic Impacts

F. Managing risks & performance through robust internal control & strong public financial management
Enhance the Council's ICT infrastructure, security, governance and resilience
Continue to ensure Health and Safety compliance and performance

A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
No significant governance enhancement required

B. Ensuring openness and comprehensive stakeholder engagement
No significant governance enhancement required

D. Determining the interventions necessary to optimise the achievement of the intended outcomes
Ensure good governance of the Regeneration Programme
Implement a Corporate Landlord Function
Commercial and Insourcing Strategy
Transformation Programme
Ensure recovery of Leisure Services after the pandemic

E. Developing the entity's capacity including the capability of its leadership and the individuals within it
No significant governance enhancement required

The Action Plan outlined on pages 30 to 33 of this document provides more detail in relation to the action required and timescales to deliver the above enhancement activity

Assurance: Internal Audit Arrangements

Annual Audit Coverage

Delivery of the Council's Internal Audit is carried out by the Shared Internal Audit Service (SIAS) hosted by Hertfordshire County Council and managed by the Head of Assurance. Annual audit coverage is determined through a risk assessment, which is influenced by external regulatory requirements and the strategic and operational risks of the Council. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Audit Plan, Internal Audit contribute to the Council's corporate governance framework.

The SIAS operates to defined professional standards, i.e. the Public Sector Internal Audit Standards (PSIAS) and the Head of Assurance reports to the Council's Strategic Director (Chief Finance Officer and Section 151 Officer) providing updates on internal audit progress and issues at regular liaison meetings. The Head of Assurance provides an independent opinion on the adequacy and effectiveness of the system of internal control and this is reported annually to Audit Committee. The main responsibility of SIAS is to provide assurance and advice on the internal control systems of the Council to both Management and Members. The SIAS reviews and appraises the adequacy, reliability and effectiveness of internal control within systems and recommends improvement where necessary. It also supports management in developing systems by providing advice on matters pertaining to risk and control.

2020/21 Audit Report

The Head of Assurance's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2021. From the internal audit work undertaken in 2020/21, SIAS can provide the following assurance on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems as follows:

ASSURANCE OPINION: FINANCIAL SYSTEMS → Our overall opinion is **Satisfactory Assurance;** meaning the internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.

ASSURANCE OPINION: NON-FINANCIAL SYSTEMS → Our overall opinion is **Satisfactory Assurance;** meaning the internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.

Review of Effectiveness of Systems of Internal Audit

The Accounts and Audit Regulations 2015 came into force from 1 April 2015; Paragraph 5 (1) states, "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

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As part of demonstrating the efficiency and effectiveness of the internal audit activity and identifying opportunities for improvement, the Head of Assurance must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. This includes an annual self-assessment undertaken by the Head of Assurance against the Public Sector Internal Audit Standards (PSIAS) for Internal Audit in Local Government in the UK. The self-assessment concluded that the system of Internal Audit employed at Stevenage Borough Council is effective.

In addition, PSIAS require that an external assessment or peer review is undertaken at least once every five years. An independent Peer Review was undertaken in 2015/16, which concluded that SIAS 'generally conforms' to the PSIAS, including the Definition of Internal Auditing, the Code of Ethics and Standards. 'Generally conforms' is the highest opinion within the scale of three ratings, and the peer review identified areas of good practice and high standards. The next independent Peer Review is in June 2021.

The annual performance indicators for SIAS are set by the SIAS Board which is comprised of the Section 151 Officers from the client authorities within the partnership. The table below sets out SIAS performance against the performance indicator relating to planned days delivery and planned projects delivery.

Area of Activity	Target	2017/18	2018/19	2019/20	2020/21
Planned Days – percentage of actual billable days against planned chargeable days completed	95%	95%	99%	99%	98%
Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	100%	97%	100%	100%

The assurance arrangements conformed with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010), as demonstrated through the assessment in the SIAS Annual Assurance Statement and Internal Audit Annual Report being reported to Audit Committee in June 2021.

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The CIPFA/SOLACE Core Principles of Governance

Figure 3: International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)

Achieving the Intended Outcomes
While Acting in the Public Interest at all Times
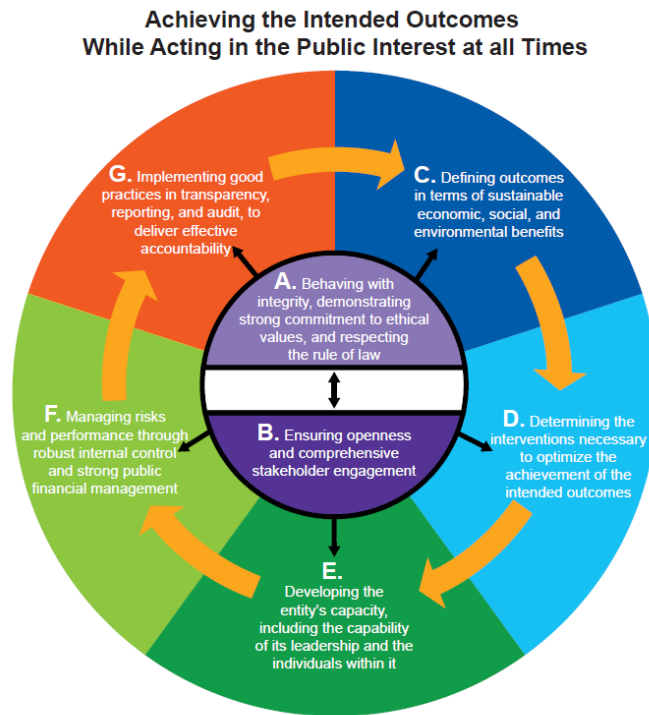
The Council achieves good standards of governance by applying the CIPFA/SOLACE Principles of Governance set out in the 'Delivering Good Governance in Local Government' Framework (2016) represented in the International Framework.

The diagram at figure 3 illustrates how the various principles for good governance in the public sector relate to each other. To achieve good governance the Council should achieve their intended outcomes while acting in the public interest at all times.

As overarching requirements for acting in the public interest, Principles A and B and apply across all other principles (C – G)

A summary of the review of effectiveness of local arrangements in place for 2020/21 against each of the principles is set out on the following pages identifying opportunities for governance enhancements.

Arrangements are monitored throughout the year as set out on page 3. Progress against the delivery of actions identified in the 2019/20 Annual Governance Statement is reflected in the green boxes throughout this Annual Governance Statement.

Principle A: Behaving with integrity and respecting the rule of law

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law is acknowledged as key to the delivery of good governance and underpins the delivery of Council priorities and services for the community.

Summary of 2020/21 Review of Effectiveness:

The Council's Local Code of Corporate Governance identifies the Nolan Principles (Standards in Public Life) as underpinning all local government activity.

The standards of conduct and personal behaviour expected of Members and Officers, its partners and the community are defined and communicated through Codes of Conduct and Protocols and the Council's Constitution. Arrangements are in place to ensure that Members and Officers are aware of their responsibilities under these codes and protocols.

The Council's website outlines the arrangements for making a complaint that a member of the authority has failed to comply with the Authority's Code of Conduct and sets out how the authority

will deal with such allegations. Complaints about Members and allegations that a Member has breached the Code of Conduct would be dealt with by the Standards Committee and the Borough Solicitor (Monitoring Officer) under the Localism Act 2011. The Council has appointed an Independent Person, to consult on alleged breaches to the Member Code of Conduct.

The Council has a Standards Committee to promote and maintain high standards of conduct by Members of the Council and deal with any allegations that a member is in breach of the Council's Code of Conduct and to consider changes to the Code as required.

The Council's Constitution sets out the employment procedures for the Head of the Paid Service, Strategic and Assistant Directors, Monitoring Officer and Chief Finance Officer.

Figure 4: Organisational Values

The Council's six organisational Values shown here are underpinned by a behaviour framework for staff. The values are intended to influence the ways in which elected Members and officers think and behave in responding to future challenges.

The Values are embedded into Member and Officer Induction, regular officer meetings with their managers (REAL conversations), the Modern Member training programme, and management development programmes. A set of desired behaviours associated with each of the Values has been developed and form part of the Council's appraisal process for officers.

The Council has a Whistle-blowing Policy which is based on the Public Interest Disclosure Act 1998 as well as an Anti-Fraud and Corruption Policy, and new Anti-Money Laundering and Anti-Bribery Policies. The Council's website and intranet have options for the public and staff to report suspected fraud that link to the Shared Anti-Fraud Service webpage.

During 2020/21, the Council carried out one instance of directed covert surveillance in accordance with the Regulation of Investigatory Powers Act 2000.

The following governance activity pertaining to best practice has been delivered in 2020/21:

- The Council's Financial Regulations and Contract Standing Orders were reviewed and changes were agreed by Council.
- A new Anti-Bribery Policy and a new Anti-Money Laundering Policy have been produced, approved and are available to staff
- The Whistle-Blowing Policy has been reviewed and republished.
- The Officer Code of Conduct has been reviewed and is due to be approved by Council in 2021.
- Dr Robert Crawley was re-appointed as the Council's Independent Person for a further term of four years with effect from October 2020.
- A new Borough Solicitor was appointed as the Council's Monitoring Officer with effect from July 2020.

Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant requirements to enhance governance have been identified.

Principle B: Engaging with local people and other stakeholders

Principle B: Ensuring openness and comprehensive stakeholder engagement is considered essential in meeting the Council's corporate ambitions and framework of values and

regarded as key to effective service delivery. Communication supports the decision-making process and helps to improve service quality and foster good relationships between staff, Members and stakeholders.

Summary of 2020/21 Review of Effectiveness:

Stevenage Borough Council is a co-operative council which means working in equal partnership with local people to shape and strengthen communities.

The Council wants to hear views about Council services. The Council regularly provides local residents, partners and other interested parties with opportunities to influence the planning, prioritisation and monitoring of services. A variety of methods are used to engage the local community, such as: surveys and questionnaires, community roadshows, focus and action groups and stakeholder conferences.

The Council has a Community Engagement Framework which provides a clear overview of ways in which the Council engages with communities across Stevenage. A customer friendly version of the Framework is being produced which will be available on the Council's website. Toolkit development will be ongoing as resources are created for Council teams moving forward.

The Council has implemented Co-operative Neighbourhoods. Co-operative Neighbourhoods looks to make better connections between the Council, the community and the people who live and work in Stevenage. It is a partnership between the people who live in Stevenage, the public and voluntary services and the businesses based in the town. The Co-operative Neighbourhoods teams help by connecting staff from different services who work in the same part of Stevenage so they can provide better services to residents, responding more quickly to matters that residents are concerned about, making it easier for residents to shape the services and projects in their neighbourhood, supporting the activities of residents and communities who want to improve their neighbourhoods and create new opportunities for themselves. Each of the six Neighbourhoods will have a community plan which sets out:

- Plans for investment in the area
- Community projects and activities
- Issues prioritised with the community that the team will work on together
- Corporate priorities which involve local activity, such as climate change
- Priorities identified for possible action in the future, such as where funding bids may need to be made.

The Council has over the past few years established a number of shared service arrangements to provide efficient and effective shared service provision and governance arrangements facilitate effective stakeholder engagement to deliver agreed outcomes.

The Council has a system for recording customer feedback which enables learning from feedback and complaints to facilitate effective monitoring of information provided by customers to review future service delivery.

Figure 5: Residents' Newsletter

The Council uses a variety of media to communicate with its residents, businesses and customers, for example Stevenage Chronicle which is the Council's quarterly magazine for residents which provides the latest information about Council initiatives and services, community news and events, the Council's website, press releases and social media.

In response to the COVID-19 public health emergency, the Council has played an active role in promoting and signposting residents and

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businesses to the Government's package of guidance and support measures.

A dedicated Coronavirus section has been set up on the Council's website which includes Frequently Asked Questions, Government advice, and information about changes the Council has made to its services. A special Coronavirus edition of Chronicle was distributed to all households in Stevenage as well as being available online.

As part of its response to COVID-19, the Council has worked closely and collaboratively with its partners to respond to the crisis. The Council has been working in partnership with the Hertfordshire LEP, Chamber of Commerce, Wenta and the Hertfordshire Growth Board to ensure that businesses in the town are supported and informed.

To help residents who were shielding and/or vulnerable during the pandemic, the Council has worked together with local voluntary and community organisations and local businesses to set up Stevenage Helps. Over the year Stevenage Helps assisted over 500 residents with deliveries of food, personal care and cleaning packs as well as helping residents to access essential services and has also provided other assistance where possible.

The following governance activity pertaining to best practice has been delivered in 2020/21:

- The Annual Report and Performance Overview highlighting the Council's achievements over the past year and plans for the next twelve months was approved by Executive and published on the Council's website

- The Council now has a new website which provides a portal for new customer online services.

- To inform the Council's new Climate Change Strategy an array of traditional consultation as well as online methods, including a digital Facebook engagement campaign which received over 1400 responses was used.

- As part of the Council's commitment to addressing climate change, a citizen's panel has been established. The panel represents a broad and diverse range of views in the town and will help inform the Council's ongoing response to the climate emergency.

- The co-operative Inclusive Economy Charter to encourage residents and businesses to work together to help protect Stevenage's economy and support the Council's approach to Community Wealth Building was launched.

- The revised Strategy for resuming the development of Co-operative Neighbourhoods, following a delay as a result of the pandemic, was agreed by Executive in August. A Co-Operative Neighbourhoods Communications Plan has been produced as well as a Guide for Councillors. Strategic and operational leads have been appointed for each Co-operative Neighbourhoods area.

- Public consultation to inform the Amenity Tree Management Policy and the Stevenage Cemetery Policy was carried out via the Council's web pages and promoted via social media.

- As part of the development of the Workforce Strategy (2020-2023), consultation took place with members, SLT and Trade Unions.

- The themes for the Community Safety Strategy, which has recently been approved by Executive, were informed through engagement with residents and visitors to the town through a number of social media consultations, surveys with clients and data collected from the police Echo platform.

- Staff working from home were given the opportunity to participate in a 'Ways of Working' Survey. Through the insight of over 300 employees and survey responses, the Council has been able to

plan its recovery from Covid in a way that suits the majority of staff and address staff concerns with this new way of working.

> **Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant requirements to enhance governance have been identified.**

Principle C: Defining outcomes – the Council's vision and priorities

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental benefits. The focus of the Council's governance arrangements is to deliver the best possible outcomes for the community and the Council's vision for the town. It is essential that the Council seeks customer feedback and works with partners, to pool resources and skills

Summary of 2020/21 Review of Effectiveness:

The Council's vision:
Stevenage: a prosperous town with vibrant communities and improved life chances

Working in partnership
Stevenage Together, Stevenage's local strategic partnership includes a range of diverse partner agencies. Its ethos is to foster innovative ways of working together, to improve the lives of people who live in, work in and visit Stevenage.

The aims of the partnership are to generate pride in the borough, develop communities, help people feel safe and improve residents' health

Stevenage Together oversees four themed groups: Social Inclusion Partnership (SIP), Community Safety Partnership (SoSafe), Health and Wellbeing Partnership and the recently re-launched Economy Taskforce.

Stevenage Together held a Covid Recovery Summit in July to provide an update on shared responses to the Covid-19 pandemic and to identify how partners could best work together as a Recovery Taskforce to support the recovery efforts in Stevenage. Subsequently a high level partnership recovery action plan has been developed, based around the purpose, themes and values, as illustrated below.

Stevenage Together Recovery Taskforce

Our purpose
To work together to ensure that our town and community recovers from the Covid-19 outbreak stronger, more resilient and with a renewed community purpose

What we are doing as a partnership
We are working on a set of partnership actions linked to our four key themes

Our values
These values underpin our approach –
Co-operative
Supportive
Sustainable
Innovative

Local economy, jobs, skills & infrastructure | Community support and resilience | Mental and physical health & wellbeing | A green town

STEVENAGE TOGETHER

Stevenage Development Board was set up in 2020 to prepare Stevenage's bid for government funding through the MyTown initiative. The Board is formed of representatives from across Stevenage and the surrounding area and includes key stakeholders from public sector organisations, private businesses and not-for-profit organisations to ensure a diverse range of views are represented. The work of the development board forms part of the wider 20 year £1bn regeneration of Stevenage Town Centre. The Board provides an environment for collaboration and innovation across a range of partners, especially in the skills sector, providing a strong platform to support the regeneration efforts in the town.

Future Town, Future Council

The Future Town, Future Council (FTFC) programme consists of nine key programmes that aim to deliver improved outcomes and real change for Stevenage residents. The Future Town Future Council programme serves to enhance governance. The focus and scopes of programmes is monitored to ensure that the FTFC Programme continues to deliver the Council's priorities. The FTFC Programme is currently being reviewed for 2021/22.

A further FTFC programme called 'Place of Choice' has been included into the FTFC Programme and incorporates the activities associated with a number of existing and emerging strategies that focus on improving the quality of life of residents and visitors. This programme provides overarching governance, to ensure that these strategies are well aligned, and that the FTFC Board are tracking key deliverables and priorities for each year. The following existing and emerging strategies/plans are included in the scope of the programme:

Future town future council

- Stevenage Reimagined
- Healthy Stevenage
- Community Safety
- Community Wealth Building
- Climate Change
- Future Town Future Transport
- Biodiversity Action Plan

Where it has been possible and in line with the government's restrictions, key FTFC delivery programmes have continued during the COVID-19 crisis. The regeneration schemes at Queensway and Town Square continue to be progressed, with contractors working in accordance with government guidance. The Housing Development programme continues on existing sites. A number of critical ICT projects are also continuing to progress as planned.

The Co-operative Corporate Plan (FTFC) reflects the ambitions and projects and articulates to the public the Council's key priorities and objectives that support the achievement of the FTFC programme over the next few years.

Every year progress against the Council's priorities are considered and this informs important decisions about where to spend the budget. The

Annual Report summarises the Council's achievements over the past year and outlines what it plans to do in the next twelve months and is published on the Council's website.

Financial and Asset Planning

The Medium Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including Council tax levels, capital funding and treasury management. This strategy underpins the Council's key priorities for Stevenage as set out in the FTFC agenda and other strategic documents of the Council. The key aim of the Strategy is to facilitate the Council in achieving the outcomes set out in those documents, by setting out MTFS principles, which generates the need for Financial Security targets, identifies financial pressures and any additional resources for priorities to ensure the Council has a financially sustainable plan.

The CFO continues to assess the financial impact of the pandemic. As a result of the government restrictions in response to the pandemic there has been significant impact on the Council's income, expenditure and cash flow. The projected gap between government funding and losses has necessitated the MTFS to be updated on three occasions during 2020. Members approved financial resilience measures which have improved General Fund balances for this and future financial years. The 2021/22 General Fund Report considered by Council at its meeting in February 2021 set out the impact of the pandemic on the Council's General Fund budgets.

The Housing Revenue Account (HRA) Business Plan is the Council's 30 year strategic plan for managing and maintaining its housing stock. It sets out the Council's short-to-medium term plans and priorities for its housing management services and provides a long term perspective on stock investment and financial plan. The Council's HRA Medium Term Financial Strategy looks at these plans over a five year horizon in greater detail setting out the principles which generates the need for Financial Security targets. The HRA Business Plan is currently being reviewed.

The HRA Medium Term Financial Strategy underpins the Council's key housing priorities for Stevenage as set out in the FTFC agenda 'Excellent Council Homes' and 'Housing Development' and in the Housing Asset Management Strategy. The Council continues to work co-operatively with housing customers to help shape these priorities and associated programmes.

The Council also has a five year Capital Strategy. The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and sets out any associated risks. All capital schemes are regularly reviewed and prioritised to determine whether they should be included in the Capital Strategy. The Officers' Capital Group ensures that effective arrangements are in place for the design and delivery of capital projects.

Revision to the 2020/21 General Fund and Housing Revenue Account Capital Programme and approval of the Capital Programme for 2021/22 was approved by Council in February 2021.

The Stevenage Borough Local Plan 2011-2031 sets out how Stevenage will develop in the future. The plan seeks to provide around 7,600 new homes, alongside new jobs and community facilities. It provides the basis for the regeneration of the town centre, which includes plans for new homes, shops, offices, coffee bars, restaurants and seeks to create a centre people can be proud of. It also protects green infrastructure and historic assets, to ensure people can continue to have a good quality of life in the town.

A five year Housing Asset Management Strategy and action plan for implementation of the strategy over the five years of the Plan was approved in March 2019. The Strategy sets out the underlying principles which sit behind excellent asset management and the key strategic projects and programmes to ensure the Council derives maximum value for its assets whilst providing high quality homes for its tenants. The Strategy will allow the Council to meet its strategic goals of having fit for purpose, safe, well maintained and well-presented housing stock, with a view to optimising housing development opportunities where appropriate.

The General Fund Asset Management Strategy and rolling five year action plan is guiding the Council's future strategic property decisions to make sure the estate is managed sustainably and efficiently so it can adapt and remain fit for the future, and help the Council meet its Future Town Future Council aims. The strategy sets out clear financial targets to achieve to meet the Council's financial challenges. To help reach these financial targets, the Strategy recommends seven clear areas for change, including undertaking local asset reviews to identify new opportunities to release surplus land and buildings for sale and opportunities to generate new sustained revenue income as well as improving efficiency and utilisation of assets with partners. The Strategy will remain in place until 2023 and the Action Plan is the key change document and main focus.to be updated annually.

Progress of significant governance (2020/21 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

General Fund Asset Management Strategy: Work on locality reviews is now well underway. All three tranches of land identified for disposal have now been agreed by Executive.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 30).

Ongoing monitoring is planned in mitigation of risks relating to the delivery of agreed outcomes:
The Housing Revenue Account (HRA) Business Plan is under ongoing review to ensure a balanced HRA financial plan for the next 30 years, and to ensure there are sufficient HRA funds to support the council's Housebuilding and Acquisitions Programme.

In addition, the following governance activity pertaining to best practice has been delivered in 2020/21:

- Establishment of the Hertfordshire Growth Board Joint Committee and Hertfordshire Growth Board Scrutiny Committees as Joint committees agreed at December Council. A new Hertfordshire Growth Board Integrated Governance Framework has been adopted and incorporated into the Council's Constitution. A North East and Central Hertfordshire Growth Board has also met to agree a forward plan of work.

Principle D: Determining Intervention

Principle D: Determining the interventions necessary to optimise the achievement of outcomes requires robust monitoring and decision-making mechanisms to ensure that actions identified are sustainable within available resources.

Summary of 2020/21 Review of Effectiveness:

Financial Governance Arrangements:

The Financial Security Programme has three main workstreams, with Assistant Directors taking key leads in relation to Efficiency, Commercial, and Improving Processes. There is a further workstream to prioritise services to meet a funding gap should the need arise. The Financial Security programme continued to enhance the financial resilience of the Council by ensuring resources are being used effectively and efficiently and through the development of

Figure 9: Financial Security Work Streams

Efficiency	Commercial	Improve Processes	Prioritise Services
Sponsor AD Finance and Estates	Sponsor AD Stevenage Direct Services	Sponsor AD Corporate Projects	
Efficiencies/ Procurement & workforce related changes	Commercial & Fees and Charges	Lean/digital	Consider options to meet any funding gap
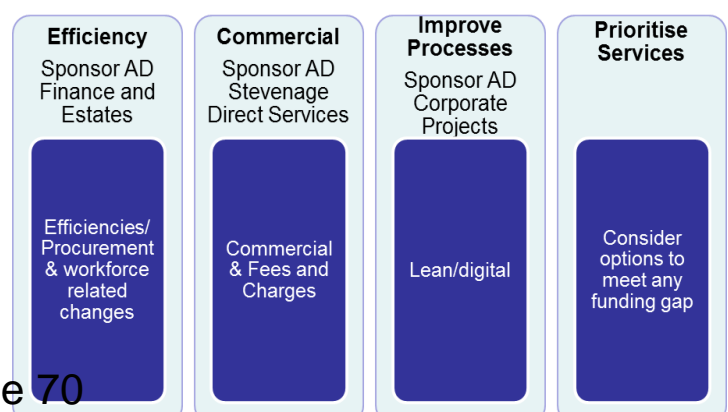
commercial and entrepreneurial skills and services.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the separation of duties, management supervision, appropriate staffing structure including appropriately skilled, trained or qualified staff, and a system of delegation and accountability.

The Council's framework of internal financial control is supported by Financial Regulations and Contract Standing Orders. The regulations provide the framework for managing the Council's financial affairs. They set out the procedures that the Council has adopted for financial planning, budgeting, risk management, auditing, treasury management and procurement of goods and services. The Council's Financial Regulations and Contract Standing Orders were reviewed and agreed by Executive in July 2020.

Monitoring performance:
The performance and quality of each FTFC programme is monitored through a monthly Programme Board. The corporate programme is monitored through assessment of progress against target for a set of corporate performance measures aligned to service priorities.

A performance management framework monitors performance measure results associated with the FTFC Programme together with measures to monitor the delivery of effective services (the corporate programme).

A performance and governance system is used to monitor performance and risk and is providing improved insight into corporate priority delivery. The system provides a range of corporate performance monitoring relating to service delivery, finances, staff, and customers, alongside consideration of the risks associated with the delivery of objectives in order to provide strategic insight and facilitate prompt implementation of any necessary improvement plans.

The status of performance for both the FTFC programme and the corporate programme with proposed improvement plans, where necessary, are discussed by senior management prior to Executive on a quarterly basis. In addition the Executive receive separate regular updates on the Council's financial position and quarterly overview reports.

A Performance Guide is available to staff on the Council's intranet. The guide sets out the Council's approach to:

- Identifying appropriate performance measures aligned to corporate and services priorities and resource
- Monitoring and reviewing performance measure results to help identify activity to improve outcomes for the community
- Identifying and celebrating business achievements
- Identifying and managing risk
- Ensuring that the overall governance of the organisation is robust.

All of this information provides business insight that helps to drive improvement and deliver outcomes that benefit the community.

The Council also has a Data Quality Policy which outlines the Council's commitment to ensuring data quality and arrangements are in place to monitor and enhance the quality of performance data.

Housing Development Programme
The Housing development programme aims to increase the affordable and social housing provision in the town (both within the town centre and the suburbs).

The Housing Development and Regeneration Executive Committee receives updates on the Housing Development Programme. Progress of the programme against key milestones is reported each month

to the FTFC programme board. Budgets are also monitored by the Assets and Capital Board which meets bi-monthly to ensure spend is in line with predictions. New build schemes within the HRA form part of the HRA Business Plan, and the General Fund schemes are reported to Executive as part of the Capital Strategy updates.

The various contracts for the building works commissioned by the Housing Development team are monitored through monthly site meetings attended by an officer representative as well as the contractor and an independent Employers Agent whose role is to administrate the effective running of the contract.

Executive at its meeting in January 2021 approved the setting up of a Wholly Owned Company (WOC). This will allow the Council to meet the needs identified in the Strategic Housing Market Assessment commissioned by the Council, specifically with providing housing in the private rental market. These ambitions complete the wider ambitions to develop more affordable housing, achieve place shaping improvements and generally improve the neighbourhoods that the town's communities enjoy. The WOC will sit alongside the existing housing delivery methods utilised by the Council.

Regeneration

The Council, along with its development partners are currently delivering a major, twenty year, £1bn regeneration programme designed to transform Stevenage. Stevenage First are responsible for driving forward over £1 billion of development across six major opportunity areas in the town centre. The masterplan includes a new rail station, 3600 new homes, 65,000 sqm of office space, 24,000 sqm of retail, four star hotels and a new community hub.

As part of the regeneration programme, the Council has partnered with Mace to deliver a £350m scheme called SG1. SG1 is a 14.5 acre site including a minimum of 1700 new homes, 60,000sq feet of ground floor retail and restaurant space, new public spaces and a public services hub, combining community assets such as health services, library, voluntary sector, café and Council offices. Following a competitive tender process, the Council selected Mace as its development partner to deliver SG1. The governance arrangements for this scheme include fortnightly Project Team meetings and monthly Steering Group meetings between Stevenage Borough Council and Mace with issues resolved through the business plan.

The Council has also signed a £50m development deal with Reef Estates to redevelop Queensway North. Queensway North is a mixed-use redevelopment scheme transforming an existing town centre site into retail and leisure units, office space, and delivering 110 residential units. This will completely reposition a partly empty asset which included the vacant Marks and Spencer site, derelict for a number of years, and will act as a major regeneration catalyst.

Stevenage Development Board oversees the investment being made as part of the Government's Town's Fund initiative. The work of the board has prioritised projects in Culture & Heritage, Sustainable Transport, Town Centre Regeneration, and Skills & Employment. This includes improving the infrastructure in the town and investing in facilities, creating employment and skills opportunities for local people, and attracting investment in the internationally-recognised life sciences sector.

Stevenage Development Board was successful in its bid for government funding and has been awarded £37.5 Million. This will bring about a once in a generation investment to revitalise and regenerate the town.

Community Wealth Building

The Council has produced a Community Wealth Building Strategy. Community Wealth Building focuses on how much money is held and reinvested in an area for the benefit of local communities. For the Council, this relates to how much business it does with local suppliers and how it supports local people to connect to, and drive forward, a sustainable and inclusive economy. At the heart of the strategy is making sure that the economy works for everyone. This has identified four key foundations that underpin an inclusive economy:

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- Procurement and social value,

- Training and skills,

- Cooperative and social economy growth and

- Tackling climate change.

A motion in favour of Community Wealth Building and developing an Inclusive Economy Charter was passed by Full Council in January 2020.

To support the Council's approach to Community Wealth Building a Cooperative Inclusive Economy Charter for Stevenage was agreed by Executive in July 2020. A Cooperative Inclusive Economy encourages communities, organisations and businesses to work together, helping to shape the economy and to share the benefits of growth. The Charter's aim is to create a fairer society and a more resilient economy for everyone; local residents, organisations and businesses. The Charter will be monitored by a single working group, reporting to a cross-party advisory Community Wealth Building Board, chaired by the Leader of the Council. The Charter is underpinned by an action plan, and includes a space for communities and stakeholders to pledge their support.

Progress of significant governance (2019/20 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure the governance of key regeneration projects the following action has been carried out: The SG1 Scheme gained planning approval at Planning and Development Committee in October 2020. The holding direction on the SG1 planning application has been lifted by the Secretary of State. This now allows the Council to finalise and conclude the Section 106 legal agreement with the developer Mace and to issue the planning permission.

Regeneration and Housing Development meetings have been separated to maximise the effectiveness of the meetings. Regular updates on key projects are provided at each meeting. This has included a session dedicated to Queensway/Marshgate which the Council's regeneration partner Reef attended and presented, and a number of sessions focussing on the Town Investment Plan. FTFC milestones have been adjusted following Covid-19, although the majority of progress remains unaffected.

Regular Steering Group meetings are held with key members of the Mace and SBC teams, with two-weekly operational meetings between the project teams. This has been invaluable when dealing with challenging issues, and regular communication has been a real positive. The Queensway Limited Liability Partnership continues to run smoothly with regular board meetings and reporting with Reef.

An action tracker is now in place to monitor progress of actions. On a monthly basis the status of actions are reported in the Highlight Report to the Regeneration Steering Committee. Highlight reporting arrangements have been reviewed and enhanced. The Risk Register has been updated and is being reviewed quarterly. GD3 funding has now been released and Local Enterprise Partnership deeds agreed. Monthly meetings are held with the Local Enterprise Partnership. Meetings are attended by the Assistant Director, Regeneration Manager and Programme Manager which provides a robust and resilient structure.

Virtual consultation sessions have been carried out with businesses on Queensway South and surrounding residents regarding the demolition of the former Police Station site

Recommendations from the internal audit report and the Resourcing, Governance and delivery review have now been merged in to an operations and performance package of improvement for the business unit. The Programme team is working on creating a project toolbox and other process improvements for the delivery of the programme in preparation for the increased number of projects anticipated in the next 12 months.

Progress of significant governance (2019/20 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure that the Shared Hertfordshire Home Improvement Agency (HHIA) service, operated by Hertfordshire County Council, can deliver its financial targets in the medium term, as well as ensure that minimum key standards are being met, enhance its governance structure and ensure the HHIA Board is offering value for money, the following activity has taken place. All of the key measures of outputs of the service have improved since 2018/19 and now represent an improvement over both that year and the last year it was provided in house by SBC. A follow up audit was completed

In response to the COVID-19 crisis and to ensure the Council can reinstate and continue to deliver services, continue to meet its Future Town Future Council ambitions and enable recovery from the effect of the virus in the town, the following action has been carried out: IMT, Business Continuity and Coronavirus Emergency Committee meetings are being held as required to co-ordinate and manage the Council's response to the pandemic. Service changes have been made in accordance with the lockdown restrictions. Redeployment plans have been drawn up to assist with the Stevenage and County-wide response. The Chief Finance Officer is continuing to assess the ongoing impact of Covid-19 ensuring all applicable Government grants are applied for and received. Advice and guidance of funding and grants is being provided to businesses in the town.

The January 2021 General Fund report set out the impact of Covid on the Council's General Fund budgets. The projected gap between government funding and losses has necessitated the MTFS to be updated with mitigating actions on three occasions during 2020. Members approved financial resilience measures that improved General Fund balances for this and future years.

Stevenage Together local strategic partnership held a Covid Recovery Summit in July 2020 to provide an update on shared resources to the Covid-19 pandemic and to identify how partners could best work together to support the recovery efforts in Stevenage. Subsequently a high level partnership recovery action plan has been developed.

Executive in July 2020 approved the Council's Recovery Plan and actions are in place embedded in the Council's Future Town Future Council reporting process. The Economic Taskforce has now met a number of times. The Taskforce has asked for an action plan to be drafted focussing on business advice and support, skills and job matching and employment opportunities. Stevenage Together Partnership is working on a joint recovery action plan for the town, covering areas from health, to jobs and skills, environment, regeneration and support to those who need it most.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31-32).

To ensure that the Council's ambitious commercial agenda can be achieved, the following action has been taken: On 12th August 2020, Executive approved the Council's Co-operative Commercial and Insourcing Strategy 2020-2023 and associated action plan. This strategy outlines the Council's approach to operating more commercially. This will be achieved through maximising opportunities to insource services, the delivery of business process improvements and the generation of new or enhanced sources of revenue. A new Commercial and Investment Executive Committee has been established. terms of reference have been agreed and the first meeting was held on 22nd October 2020. Commercial key performance indicators have been agreed and these will be reported to the Commercial and

In response to the challenges which could result from the Government's Local Government Reform and Devolution White paper, the following action has been carried out: The Government's White Paper has been delayed and currently no date has been set for its publication. District/Borough Councils in Hertfordshire have worked together to consider appropriate opportunities for future reform. A residents' poll was carried out and demonstrated that the majority of residents in Hertfordshire are opposed to the creation of a large unitary council. MHCLG officials attended the Hertfordshire Growth Meeting in August to observe the collegiate way in which the ten Hertfordshire authorities are working together for the good of Hertfordshire communities. Discussions have taken place with other Local Authorities who have recently undergone or are considering devolution options to inform the debate in Hertfordshire.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31).

Ongoing monitoring is planned in mitigation of risks relating to the delivery of agreed outcomes:

Risks associated with the impact of Welfare Reform on the community and Council have been identified. The Council is continuing to assess potential impacts through business insight.

In addition, the following governance activity pertaining to best practice has also been delivered:

- The Local Development Scheme 2020 was approved as the programme for the new Stevenage Local Development Document by Executive.

Principle E: Leadership capacity and capability

Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it. The appropriate structures and leadership, as well as people with the right skills and values, enable the Council to operate efficiently and effectively and achieve the best possible outcomes for the community.

Summary of 2020/21 Review of Effectiveness:
The Council's Political Management Structure:

The Political Management Structure diagram summarises the Council's political structure.

All Councillors meet together as the Council. Meetings are generally open to the public and feature a main topical debate item. The Council has an approved Constitution which details how the Council operates, how decisions are

Political Management Structure 2020/21

made, including delegation of decisions and the procedures that are to be followed to ensure that these are efficient, transparent and accountable to local people. The Monitoring Officer ensures that the Constitution remains fit for purpose, that legal requirements are met and that the public interest is paramount in all decision making.

In response to the COVID-19 pandemic, the government brought in new arrangements for meetings to be held remotely. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ('the Regulations') came into force on 4th April 2020 and apply to local authority and police and crime panel meetings that are required to be held before 7 May 2021. The Council put in place arrangements for meetings to be held remotely in line with these new regulations. This has meant members and the public can view meetings at a time convenient to them and this has the added benefit of improving scrutiny and reaching a wider audience. A protocol has been written for the management and conduct for remote meetings. Meetings can be viewed by the public via YouTube.

Audit Committee meets quarterly and its duties include advising and commenting on internal and external audit matters, anti-fraud and corruption issues, risk management and governance, the Council's Constitution in respect of Contract Standing Orders and Financial Regulations and the Statement of Accounts and related Capital determinations. The Audit Committee has been constituted in line with best practice recommendations from CIPFA guidance.

The Council has structured its processes and procedures for the Executive and Scrutiny Committees plus other Committees such as the regulatory ones, to minimise the risk of it acting in contravention of its own policies and external laws and regulations. The Council also appoints officers qualified to undertake statutory responsibilities, such as:

- Chief Financial Officer (Strategic Director (Chief Finance Officer)) as contained within Section 114 of the Local Government Finance Act 1988.
- Monitoring Officer (Borough Solicitor) to meet Section 5 of the Local Government and Housing Act 1989.

There is a Modern Members Programme which provides Members with a programme of training to ensure they have the skills and knowledge to ensure effective and informed decision making. This training programme covers essential skills such as understanding budgets as well as topical items and briefing on new legislation. The Modern Members Programme is arranged for all elected members, based on their feedback and requests. There is also a programme of induction training and meetings with key officers for newly elected Members.

The Council's Officer Structure:
The Council aims to create a flexible, collaborative, creative and modern workforce to ensure the Council can deliver the priorities set out in the FTFC programme and give residents the standard of services they expect.

The senior leadership team has been structured to drive the development of a sustainable, customer orientated and commercial operating model. The model is focused upon delivering the right services to the right standards, at the right time for the town's residents and businesses, using the most cost/resource effective delivery models.

The Council's Employer of Choice programme is transforming the way the Council works, ensuring staff have the skills, abilities and experience to deliver excellence.

The Council uses a Human Resources Management system to support workforce planning, training, development and the implementation of the Council's competency framework structure. The Council's Competency Framework provides a map of the behaviours, as well as the skills, that are valued and recognised by the Council.

The Council has a staff Performance and Improvement Policy and Manager Toolkit, as well as associated policies (Absence Management, Dignity at Work, Disciplinary, Grievance and Appeals policies, Organisational Change Policy, Sickness Absence Policy) to encourage all employees to personally deliver the highest standards of service possible and for managers to proactively address performance issues. The Council has a rolling appraisal process called REAL Conversations with regular meeting arrangements providing a framework for achieving the best performance on a day to day basis. These conversations typically include objectives, development, engagement and wellbeing, but they are also tailored to individuals.

Progress of significant governance actions (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Corporate Capacity: The Council's new Workforce Strategy was approved by Executive in October 2020. The Strategy is a critical enabler for delivering the Council's strategic ambitions over the next three years. The Strategy identifies actions that will improve employees' experiences and position the Council as an 'Employer of Choice'. The majority of the Council's business unit reviews are now complete. The business unit reviews within Digital and Transformation and the Garages and Markets service are now complete. Recruitment of key roles has continued during the Covid-19 pandemic to ensure corporate capacity is maintained. Four Assistant Directors were recruited in 2020 and have now all started (AD Digital and Transformation, AD Stevenage Direct Services, AD Finance and Estates, AD Regeneration). In light of the improved situation due to the completion of the business unit reviews and the recruitment of senior posts at the Council, this action will not be carried over as an Annual Governance Statement action for 2021/22.

In addition, the following governance activity pertaining to best practice has also been delivered:

- The Council has teamed up with the local Mind charity to deliver a number of Mental Wellbeing webinars to help staff to manage the negative impacts of the pandemic.

Principle F: Managing Risks – The Council's risk governance arrangements

Principle F: Managing risks and performance through robust internal control and strong public financial management. Risk management, together with a strong system of financial management are integral parts of a performance management system and are crucial to the achievement of outcomes.

Summary of 2020/21 Review of Effectiveness:

Risk Management
The Council consider and counter risk across a broad range of areas. The Council has an approved Risk Management Policy and a Risk Management Guide is available to all employees. Strategic risks are linked to the Council's priorities and the Strategic Risk Register is reviewed and monitored on a quarterly basis. Operational risks are also developed and monitored.

Figure 13: Risk Management Arrangements
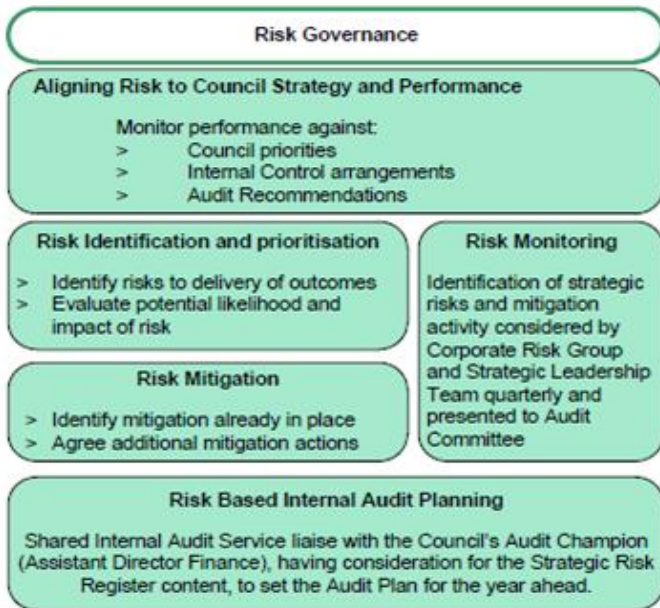
A Corporate Risk Management Group meets quarterly to oversee and review the process and development of the Council's approach to risk.

To support service delivery improvements, the Council welcomes constructive challenge as a result of scrutiny from internal/external audit activity, the work programme of Overview and Scrutiny Committee and other external review agencies and inspectorates.

The Shared Anti-Fraud Service's annual Action Plan ensures compliance with the best practice issued by central government, National Audit Office and CIPFA. The Council has an Anti-fraud and Corruption Policy as well as a Whistle-blowing Policy. Data Protection and Information Security responsibilities for staff, and processes for the management of both electronic and manual records are also available.

Risk Governance

Aligning Risk to Council Strategy and Performance

Monitor performance against:
> Council priorities
> Internal Control arrangements
> Audit Recommendations

Risk Identification and prioritisation

> Identify risks to delivery of outcomes
> Evaluate potential likelihood and impact of risk

Risk Monitoring

Identification of strategic risks and mitigation activity considered by Corporate Risk Group and Strategic Leadership Team quarterly and presented to Audit Committee

Risk Mitigation

> Identify mitigation already in place
> Agree additional mitigation actions

Risk Based Internal Audit Planning

Shared Internal Audit Service liaise with the Council's Audit Champion (Assistant Director Finance), having consideration for the Strategic Risk Register content, to set the Audit Plan for the year ahead.

Information Technology

The ability to identify and assimilate new technologies is an integral part of the Council's aim to achieving its strategic objectives. The Council has a Shared IT service with East Herts which is responsible for developing the shared IT platform as well as delivering IT services. The shared service was established through a partnership agreement between the two Councils in 2013.

The Councils have established an Information Technology Steering Group (ITSG), which meets on a monthly basis and oversees the operation of the Shared IT Service. In addition, the Councils have established an ICT Partnership Board, which also meets on a monthly basis and is responsible for the strategic direction of the service. Both the ITSG and the ICT Partnership Board include senior members of staff from both Councils.

The IT Steering Group and the IT Programme Management Office function facilitates delivery of the projects that supports the Council's Future Town, Future Council programme and the Council's Business Unit reviews alongside the day to day IT service.

The IT service is committed to embracing new digital opportunities to better meet the needs of residents, achieve savings and transform services. A secure, resilient, effective and forward looking Technology Service is critical in delivering these aims.

The ICT strategy, approved in 2019/20 by both Stevenage Borough Council and East Herts District Councils provides a united vision for the ICT service. The ICT Strategy articulates the ICT vision and objectives now and in the future. The Partnership vision is to create a modern, secure, resilient and transformational ICT service that drives and supports delivery of joined up services to customers through the effective use of technology.

Health and Safety

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Figure 14: Council's Health and Safety Framework
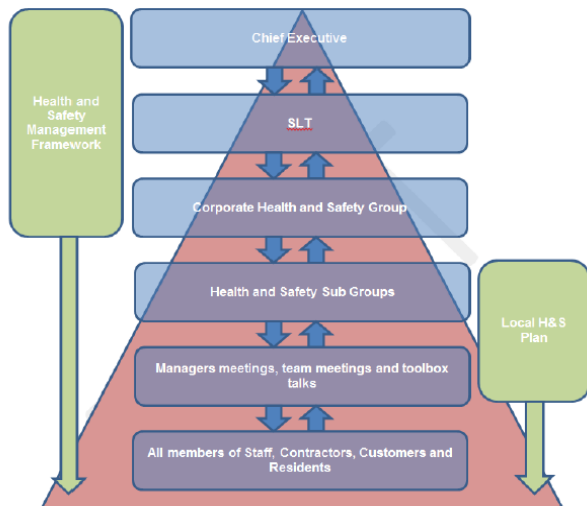
To ensure and maintain corporate wide oversight and clarity on health and safety compliance and performance across the Council, a corporate health and safety governance structure is in place that provides assurance to senior management that health and safety assessments and activity across the Council are being effectively managed. Assistant Directors have ensured that health and safety responsibilities at each level of management within their business units are clear. An ongoing schedule of review by Assistant Directors and internal/external peers is providing assurance that key health and safety risks are being suitably controlled while identifying areas where improvements can be made and including these into the ongoing action plan. Senior management representation on the Strategic Health and Safety Group ensures the group is providing senior management with the assurances that are required. The Council has a complete database of health and safety risk assessments for all services.

Embedding of the Health and Safety framework is being achieved by a process of internal and external audits, peer reviews, shadow health and safety inspections, risk assessment reviews, training to upskill managers, health and safety group meetings, hazard monitoring and action plans

The COVID-19 emergency, the most serious public health crisis in the UK for over a Century, has and continues to present a challenge for the Council to ensure the health and safety of its staff, Members and customers. Risk assessments and appropriate measures and changes to service delivery arrangements have been put in place to ensure that the government restrictions and guidelines are adhered to throughout the crisis. This has included closure of buildings, cessation/limiting of services, provision of PPE to appropriate frontline staff, as well as other measures.

Alongside e-learning health and safety packages there is now a range of tool box talks available, plus courses on Risk Assessment, Construction, Design and Management Regulations, Manual Handling, COSHH, Hand Arm Vibration, Legionella, Needle sticks, Sharps and Diseases, Hot Works and Noise.

Business Continuity
The Council has business continuity plans for all of its key services and a Corporate Business Continuity Plan is in place to manage the corporate response to an incident. In response to the COVID-19 outbreak and to ensure business continuity of its essential services, the Council instigated an Incident Management Team which is co-ordinating the local emergency response within Stevenage. This included the establishment of eight response cells each led by an Assistant Director or senior Manager, which includes a Business Continuity Cell.

Information and Records Governance
New General Data Protection Regulations were approved by the EU Parliament on 14 April 2016 and were enforced on 25 May 2018. The primary objectives of these regulations are to give citizens and residents control of their personal data and to simplify the regulatory environment.

Overall responsibility for information management at the Council has been assigned to the Council's Information and Records Governance Manager, who is also the joint Data Protection Officer for both Stevenage and East Herts Councils. The Council has a Corporate Information Governance Group in place, which oversees the Council's information governance arrangements.

The Council has identified and documented its information assets and data flows and developed an information asset register. The Council has a Data Protection Policy as well as an Information Security Incident Management Policy and Procedure which defines the Council's procedures in response to any actual or suspected data security incident. Specific guidance on records management with defined responsibilities of information asset owners has been developed. Document retention guidance has been produced and communicated to all members of staff, which includes a defined and enforced corporate records retention schedule in line with the requirement of the GDPR and good practice. There are also defined procedures in place for the disposal and destruction of information. All staff are required to complete GDPR e-learning and keep their knowledge up to date.

Progress of significant governance actions (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Cyber Security and IT Resilience: Design of the Virtual Desktop Infrastructure, which will improve the user experience and is an enabler for Microsoft 365 and Windows 10 is complete and is currently being piloted. The design work for the upgrade of the ICT network, to increase IT resilience, is also complete and configuration and testing of the upgraded network is currently underway.

The installation of the microwave link between the Council's two data centres to almost eliminate chances of link breakage and therefore ICT interruption is now complete and is scheduled to go live once the network upgrade is complete. Microsoft 365, which will support new ways of working, team collaboration and video-conferencing, is currently being piloted by ICT to troubleshoot any issues prior to its full roll out. Work is also continuing to upgrade the Council's 50 plus servers. The roll out of the Windows 10 Operating system, which is a pre-requisite for Microsoft 365 and a key requirement of the Security Enforcement Programme is progressing well. Email and web filtering has also been replaced to increase ICT security. Meta-compliance which is a new platform that incorporates requirements of e-learning, policy compliance, cyber security and phishing awareness has been installed and will be rolled out soon. The replacement of the Council's firewalls and implementation of controls and management tools to monitor and control the ICT network are in the soft market testing phase.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 32).

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Information Management: Improvement activity has continued to enhance and embed information management arrangements to ensure that best practice records management across the Council continues to be applied and customer data is stored securely and appropriately managed. The review of data sharing arrangements with local authority partners and public agencies to reflect GDPR requirements on information sharing obligations is now complete. All Supplier agreements which involve the processing of personal data have also been updated. Enhancement activity has decreased the information management risk to a medium level; therefore this action will not be carried over as an Annual Governance Action for 2021/22.

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Corporate Health and Safety: A RAG monitor of all the Council's high health and safety risks is now being produced. All high risks are reviewed by the Strategic Health and Safety Group and reported to Corporate Risk Group and the Senior Leadership Team quarterly. The monitor is also reviewed by the Chief Executive at monthly HR meetings.

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The Health and Safety team have assisted to ensure that all Council buildings are Covid Secure. New working arrangements for Daneshill and Cavendish Road have been implemented to ensure the health and safety of staff. The team have also provided support and advice to frontline staff to ensure their safety and the safety of customers. PPE requirements for specific operational settings have been identified and procured. Staff communication messages have been provided to advise staff of Covid-19 guidance. The usual scheduled health and safety training and audits have been affected by the response to the pandemic but have now resumed.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 32).

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure there is a clear governance structure through a corporate landlord functions and ensure compliance of the Council's non-housing property, the following action has been taken: The Mears contract has been brought in house and responsible officers have now been assigned to all operational buildings. Compliance work continues to be progressed and regular compliance checks have been programmed. The compliance audit is nearly complete for all operational buildings, community centres and the depot. Risks have been identified and these are being prioritised.

The Assistant Director (Finance and Estates) has now started in post as well as a new Estates Manager. Recruitment for a permanent Facilities Manager is in progress. There is now a full procedure manual in place documenting work carried out by the team and work is progressing on a full suite of policies. Procedures for training staff, community centre managers and users are being produced. Preventative maintenance is being investigated and prioritised. Empty properties are now being inspected weekly for damage, leaks etc.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability will ensure that the Council provides information regarding the completion of actions in a timely and understandable way.

Summary of 2020/21 Review of Effectiveness:
Reporting on performance, value for money, the stewardship of resources and the assessment of robust corporate governance arrangements are provided throughout the year through:

- Quarterly financial monitoring reports to Executive
- Quarterly FTFC and corporate performance status reports to Executive
- Annual publication of Statement of Accounts
- Publication of the Annual Governance Statement
- the Council's Annual Report

Compliance to provide information as outlined in the Local Government Transparency Code 2015 is monitored throughout the year by Corporate Governance Group.

The Council's internal audit provision is delivered by the Shared Internal Audit Service hosted by Hertfordshire County Council. A summary of 2020/21 arrangements is set out on pages 5 to 7 of this Statement outlining assurance for both financial and non-financial systems.

For 2020/21 the Shared Internal Audit Service assigned 'satisfactory' assurance for financial systems and 'satisfactory' assurance to non-financial systems. Actions to enhance governance for the areas highlighted have been identified and prioritised.

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At the time of writing, the Council's External Auditors, Ernst and Young, have not as yet provided their Annual Audit Letter for 2019/20 that the Council's financial statements give a true and fair view of the financial position of the Council at 31 March 2020 and its expenditure and income for the year then ended. The Auditors have also not as yet confirmed their opinion as to whether the Council has put in place proper arrangements to secure value for money in our use of resources and that our Annual Governance Statement for 2019/20 was consistent with Ernst and Young's understanding of the Council.

Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant opportunities to enhance governance have been ident

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Corporate Governance Calendar 2020/21

The following corporate governance calendar on the next two pages summarises activity delivered throughout the year to ensure compliance with the corporate governance arrangements outlined in the Council's Local Code.

Corporate Governance Calendar April 2020 – September 2021

Apr 2020

📌 Internal Audit of **Corporate Governance** arrangements achieves 'Satisfactory' assurance for areas assessed

📌 Internal Audit of **Risk Management** arrangements achieves 'Satisfactory' assurance for areas assessed

May 2020

📌 **Annual Council** agree the political management structure of the Council

June 2020

📌 **Head of Assurance** confirms to Audit Committee the **'fitness for purpose'** of **internal audit** to carry out the work that informs the assurance opinion for 2019/20

📌 The **Coronavirus Recovery Plan and Review of the MTFS** approved by **Executive**.

📌 **Q4 Performance Report** considered at **Executive**.

📌 **Q4 Strategic Risk Register** reported to **Audit Committee**

July 2020

📌 **Annual Scrutiny Report** to Council

📌 **Executive** approves the **Co-operative Inclusive Economy Charter**

📌 **Annual Report** and **Performance Review** approved by **Executive**

📌 **Corporate Governance Group** reviews **Principles D, E and F**

📌 **Q4 Financial** reports to **Executive**

📌 Appointment of **Independent Person (Standards Committee)** by **Council**

📌 Appointment of **Monitoring Officer** agreed by **Council**

📌 **Financial Regulations and Contract Standing Orders** agreed by **Council**

Aug 2020

📌 **Executive** receives an update on the implementation of **Co-operative Neighbourhoods**

📌 The **Co-Operative Commercial and Insourcing Strategy 2020-2023** agreed by **Executive**

Sep 2020

📌 **Executive** consider **Q1 Performance and Financial Monitoring** reports

📌 **Executive** considered a report providing an update to the **General Fund MTFS Strategy 2020/21-2024/25**

📌 **Executive** approved site disposals as part of the **Locality Ward Asset and Land Review**

📌 **Q1 Strategic Risk Register** presented to **Audit Committee**

📌 **SAFS** provides Audit Committee with an update on the **2020/21 Anti-Fraud Plan**

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Corporate Governance Calendar October 2020 - March 2021

Oct 2020

- Council approves the **Annual Treasury Management Review of 2019/120** including prudential code
- **Corporate Governance Group** carried out a **review of Principles C and G** of the CIPFA/SOLACE Framework
- **Executive** approves the **Workforce Strategy for 2020-2023**
- Executive considered a report on the Council's second year of partnership in the **Herts Home Improvement Agency**

Nov 2020

- **Executive** approves establishment of the **Herts Growth Board Joint Committee**
- **Q2 Strategic Risk Register** presented to **Audit Committee**
- **SIAS** provides **Audit Committee** with an update on their **2020/21 Audit Plan**
- **HRA MTFS Strategy Update** reported to **Executive**
- **Audit Committee** consider the six month progress review of AGS and Service Governance actions
- **Executive** considers financial monitoring reports

Dec 2020

- **Executive** consider the **Q2 Corporate Performance** report

Jan 2021

- Council approve the **Housing Revenue Account Final Budget Proposals, Rent Setting and Draft Council Tax Support Scheme 2021/22**
- **Executive** approves **site disposals** identified as part of **the Local Ward asset and land review**
- **Corporate Governance Group** carried out a **review of Principles A and B** of the CIPFA/SOLACE Framework

Feb 2021

- Council approves the **2021/22 Council Tax, General Fund and Capital budgets, and the Annual Treasury Management Strategy including Prudential Code Indicators 2020/21**
- **Members' Allowances Scheme 2021/22** approved at **Council**
- **Pay Policy Statement for 2021/22** approved by **Council**

Mar 2021

- **Q3 Performance/Financial Monitoring reports** considered by **Executive**
- Formation of a **Wholly Owned Housing Development Company** agreed by **Executive**
- **SIAS 2021/22 Audit Plan and SAFS 2021/22 Anti-Fraud Plan** agreed by **Audit Committee**
- **Q3 Strategic Risk** Register considered at **Audit committee**
- **Audit Committee** receive an update on progress of the **IT Investment Strategy**
- Review of **2020/21 Governance Arrangements** presented to **Audit Committee**

Planned Improvement Activity for 2021/22:

Significant internal control and governance issues identified as part of the 2020/21 review of the Governance Statement are summarised on page 4, identified in the relevant section throughout this Statement and set out in the following Action Plan.

Enhancement activity is deemed significant if recommended for reflection in the Annual Governance Statement by the Shared Internal Audit Service following reviews of control arrangements to meet the Audit Plan, or if identified as key to the management of 'very high/high level' strategic risks. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the associated delivery of priority outcomes should be addressed.

There are currently a few high level strategic risks where related mitigation activity is identified throughout this document as ongoing governance monitoring rather than as enhancement activity, such as:

- The Housing Revenue Account (HRA) Business Plan, (agreed by Executive November 2018 and reviewed and updated in December 2019) is under ongoing review to ensure a balanced HRA financial plan for the next 30 years, and to ensure there are sufficient HRA funds to support the Council's Housebuilding and Acquisitions Programme and the Housing Asset Management Strategy. The HRA Business Plan is being reviewed in 2021.

- The HRA and General Fund Medium Term Financial Strategies and Capital Programme are under ongoing review to ensure finances remain robust in the long term and ensure the Council can deliver the ambitions set out in its Future Town Future Council Programme; deliver a once in a generation investment in the town, through town centre regeneration, housing development and investment in neighbourhoods and become financially self-sufficient. The General Fund and HRA Medium Term Financial Strategies and Capital Programme have been reviewed in 2021/22 to reflect the significant impact on the Council's financial situation as a result of the COVID-19 crisis and continue to be under ongoing review.

Action Ref	Action	Target Date
1	**To implement the General Fund Asset Management Strategy the following activity is planned:** • Continue the review of the council's commercial portfolio • Continue with Locality reviews of the Council's current land and buildings to identify new opportunities for better use of existing buildings • Identify further potential sites for release for sale and identify land for the Council's own housing building programme.	March 2022 March 2022 March 2022
2	**To ensure the Council is able to continue to regenerate the town centre and build much needed new housing and create job opportunities the people of Stevenage need and want, a programme of work is required to implement the required governance arrangements to make this happen. This will be achieved by:** • Ensuring measures are being taken to reduce the risk of	

Action Ref	Action	Target Date
	construction delay and protect project budgets • Ensure contracts and adequate funding is available to carry out the regeneration works as planned. • Creation of business cases for projects and work in relation to governance, resourcing, engagement and financial planning in light of the £37.5 Million Towns Fund award. • Continue to implement good governance arrangements in relation to the programme and key projects	Ongoing to March 2022
3	**In response to the challenges which could result from the Government's Local Government Reform and Devolution White paper, the following action is proposed:** • Undertake a review of the White Paper and its implications once it has been published • Engage again with other Hertfordshire District and Borough councils to consider a response to the White Paper	Currently awaiting Government announcement
4	**To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:** • Delivery of the Commercialisation Action Plan • Ensure greater flexibility round income generation and savings opportunities • Implementation of the Commercial Learning and Development Action Plan • Recruitment of additional post to increase commercialisation capacity	February 2022 March 2022 March 2022 May 2021
5	**To ensure there is a clear governance structure through a corporate landlord function and ensure compliance of the Council's non-housing property, a review of the current arrangements and responsibilities for managing non-housing property is required. This will be achieved by:** • Recruitment of a permanent Facilities Manager • Implementation of a new Asset Management System • Setting up of an Asset Management Board • Produce a strategic plan for implementation of the Corporate Landlord function • Procedures for documenting air circulation risk assessments to be reviewed	July 2021 Dec 2021 June 2021 July 2021 July 2021
6	**In response to the COVID-19 crisis and to ensure the Council can reinstate and continue to deliver services, continue to meet its FTFC ambitions and enable recovery from the effect of the virus in the town, the following action is planned:** • Continue with Incident response management arrangements as	

Action Ref	Action	Target Date
	required in response to the Covid-19 emergency. • Review the General Fund and HRA Medium Term Financial strategies in light of the financial pressures arising from the COVID-19 response • Implement the agreed town wide Recovery Plan • Review the corporate performance measure suite and targets, to ensure they support the monitoring of the Council's recovery efforts and are realistic in the context of Covid-19 impacts on delivery. .	July 2021 Sept 2021 July 2021
7	**To enhance IT infrastructure, cyber security, governance arrangements, policy framework and resilience the Shared IT service to continue to develop and implement a strategy and programme of activity as follows:** • Completing the replacement of all the Council's firewalls • Completing the upgrade from Windows 7 to Windows 10 • Roll out of Microsoft Office 365 • Installing and roll out of network security and reporting tools • Creation of a Disaster Recovery Team to review all ICT documentation and update the ICT Disaster Recovery Plan. • Implementation of Microwave Link • Horizon VDI Update	 December 2021 September 2021 October 2021 December 2021 October 2021 October 2021 October 2021
8	**To continue to ensure health and safety compliance and performance across the Council the following activity is planned:** • Train SLT in IOSH Leading Safety • Continue the rolling programme of internal and external audits for medium and high risk services • Strategic Health and Safety Group to continue to meet quarterly and report high health and safety risks to Corporate Risk Group and the Council's Senior Leadership Team quarterly.	 March 2022 Ongoing Ongoing
9	**New action for 2021/22 to mitigate a new strategic risk: Transformation Programme**: To deliver a productive and resilient Council which can deliver the Council's strategic priorities, protect outcomes for residents, and provide excellent customer experiences, the need to implement a transformation programme has been identified: • Preparation of a work plan and report for consideration by Executive • CFO and AD Digital and Transformation to prepare a resourcing plan to support the programme, including new resources to deliver where appropriate. • Recruitment of a new Transformation Delivery Manager. • Establishment of an Officer Programme Board to prioritise the projects which will have the most impact.	 August 2021 August 2021 July 2021 September 2021
10	**New action for 2021/22 to mitigate a new strategic risk:** **As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, and an economic downturn following a programme of activity has been identified:**	

Action Ref	Action	Target Date
	• Close management of the Council's financial position via the MTFS • Bidding for available short-term Covid-related funding from government to help recover costs • Monitor key service performance and pressures via Performance Management Framework • Continue to implement the Arrears Action Plan • Stevenage Economy Taskforce to continue to meet to create jobs and upskilling opportunities • Continue to support key partnerships including SoSafe, Healthy Stevenage and the Social Inclusion Partnership to deliver socio economic, environmental and health related outcomes • Deliver the Construction Industry Training Board initiative and create a Stevenage Works fund and job brokerage service • Implement the Community Wealth Building Strategy and programme to help address the financial inequalities that exist • Launch of a new inclusive Economy Charter • Implementation of the £37.5M Town Deal Programme to create enhanced economic opportunity • Working with local government representative bodies to lobby for longer-term sustainable funding settlement for local government	Ongoing for 2021/22 Sept 2021 Ongoing for 2021/22 Ongoing for 2021/22 Ongoing for 2021 /22 Ongoing for 2021/22 Ongoing for 2021/22 Sept 2021 March 2022 Sept 2021
11	**New action for 2020/21 to meet an audit recommendation: The following activity is planned to enhance compliance with Payment Cards Industry Data Security Standards:** • Key stakeholders across the Council to be identified and a Working Group set up to carry out the review. • Payment methods to be reviewed and a replacement payment system to be considered.	 July 2021 March 2022
12	**New Action for 2021/22 to mitigate a new strategic risk: The Council to continue to work with with its leisure contractor to ensure recovery of leisure services after the pandemic.**	December 2021

Approval of Statement:
Approval of Statement by Chief Executive and Leader of the Council

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Strategic Leadership Team, relevant officers and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Areas to enhance the governance framework already addressed are summarised in this Annual Governance Statement. Areas to be addressed and ensure continuous improvement are set out in the table above on pages 29-33.

We propose over the coming year to take steps to address the above matters, to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed …………………………………
Date ……………………………………
Cllr Sharon Taylor
Leader of Stevenage Borough Council

Signed …………………………………
Date …………………………………..
Matthew Partridge
Chief Executive of Stevenage Borough Council

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Corporate Backbone

A. Behaving with Integrity	B. Stakeholder Engagement	C. Defining Outcomes	D. Determining Interventions

E. Leadership Capacity and Capability	F. Managing Risk	G Transparency and Accountability

Corporate Governance comprises the policies and procedures in place and values and behaviours that are needed to help ensure the organisation runs effectively, can be held to account for its actions and delivers the best possible outcomes for the community with the resources available

Key Documents

Constitution
Member and Officer Codes of Conduct
Member/Officer Protocols
Register of Pecuniary Interests
Members Allowances Scheme
Financial Regulations
Contract Standing Orders
Medium Term Financial Strategy
Capital Strategy
Corporate Procurement Strategy
General Fund Asset Management Strategy
Housing Asset Management Strategy
Statement of Accounts
FTFC Corporate Plan
Annual Report
Equality and Diversity Policy
Competency Framework
Performance Framework
Risk Management Policy &Guide
Audit Plan
Annual Audit Letter
ICT User Policy
Co-Operative Inclusive Economy Charter

ICT User Policy
HRA Business Plan
Workforce Strategy
Workforce Plans
Disciplinary Policy
Recruitment Policy
R.E.A.L. Conversations Policy
Job Evaluation Policy
Corp Health and Safety Policies
Data Protection Policy
Freedom of Information Policy
Information Security Policy
Whistle Blowing Policy
Anti-Fraud & Corruption Policy
Anti-Money Laundering Policy
Anti-Bribery Policy
Complaints Policy & Procedures
Business Continuity Plans
Social Media Policy
Local Plan
Data Quality Policy
Gifts and Hospitality Register
Policy for Handling Personal Data
Document Retention Guidance
Community Engagement Framework

Contributory Processes/Regulatory Monitoring

Annual Governance Statement
Audit and Standards Committee
Overview &Scrutiny Arrangements
Head of Paid Service
Independent Officer
Section 151 Officer
Monitoring Officer
Financial Reporting
Modern Member Programme
Corporate Risk Group
Corporate Governance Group
Governance & Compliance Groups
Housing Management Advisory Board
Council's Values and Behaviours
Health & Safety Framework
Strategic Health and Safety Group
Health and Safety Sub Groups
Intranet and Council's Website
Publication Scheme
Freedom of Information Procedures
Council Tax Leaflet/Information
Customer Feedback process
Equality Impact Assessments
Officers Capital Group
Data Protection Impact Assessments

Leaders Financial Security Group
Staff Satisfaction Surveys
Member and Staff Induction
External Audit
Shared Internal Audit Service
Shared Anti-Fraud Service
Shared Services Agreements
Strategic Partnership Agreements
Shared Service Partnership Boards
Job Descriptions & Job Evaluation process
Schedule of Council meetings
Overview &Scrutiny
Contract Management training
Learning & Development Programme
Leadership Forum
CE staff briefings
Key Financial Indicators
Data Transparency Webpage
RIPA arrangements
Housing Development and Regeneration Executive Committee
FTFC Programme Board
Stevenage Development Board

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Overview of Service Assurance Statements

Background

All Assistant Directors were asked to complete the annual review and update of their Service Assurance Statements for 2020/21. This process involves the following elements:

- Review of the governance arrangements within their service area
- Assurance that governance arrangements operated effectively during 2020/21 in respect of the service areas for which they have responsibility
- Review of actions taken during the year to address any weaknesses identified during last year's review and identification of any further areas for improvement in 2021/22.

Progress Review of Service Governance Actions 2020/21

Action identified for 2020/21	Progress	Service Area
Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Continue to implement the new management system for SDS Operations to provide real time business intelligence in respect of the Operations functions. Links with the new CRM system need to be made live so the full functionality can be realised.	The new system (Collective) went live on 16 March 2020 with the waste and recycling module. Integration with Firmstep went live in October 2020 and missed bins have reduced by an estimated 45% as a direct result. Bins are not having to be replaced as frequently and some charges have been levied. The wider implementation of Collective is currently delayed due to Covid. Investigations are underway as to how the Streets & Grounds module can be implemented given a number of factors, primarily project management resource and GIS. Actions which are not complete have been carried over to 2021/22. .	**Stevenage Direct Services**
Induction process to be carried out for all staff in Housing and Investment when the Housing and Investment Business Unit Review is launched.	**In progress.** An induction booklet and training record has been produced and will be rolled out for inducting new staff in the Housing and Investment Business Unit. This action has been carried over to 2021/22..	**Housing and Investment**
Review of Council's pay and reward arrangements to attract and retain staff and consider special arrangements to attract staff for hard to recruit posts.	**Complete.** An external consultant was engaged and completed this project, benchmarking SBC pay and benefits locally, regionally and nationally. A report was presented to the Head of the Paid Service and SLT and a decision was made that no changes are currently required.	**Human Resources and Organisational Development**
Data to be added to HouseMark to enhance data analysis, insight and business intelligence	**In progress.** All Data except the financial information has been collated. Once this is received, the information will be submitted to HouseMark. This action is being carried over to 2021/22.	**Housing and Investment**

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Principle B: Ensuring openness and comprehensive stakeholder engagement		
The IT Shared Service Board Partnership Agreement to be reviewed and agreed by East Herts District Council	The ICT Shared Service Board Partnership Agreement has been reviewed and is currently awaiting approval. This action is being carried over to 2021/22.	**Digital and Transformation**
Financial Regulations to be approved by Audit Committee and staff to be informed of changes	**Complete.** Financial Regulations were approved by Council in July 2020. The Regulations are now on the Council's intranet.	**Finance and Estates**
Complete the review of supervisory/management roles in Stevenage Direct Service Business Unit to further enhance service delivery	**Complete** for Operations with all roles in position and previous interim arrangements ceased. **In progress** for the Repairs service. Phase one is complete. **Complete.** The service review of the Garages and Markets team is complete and the new structure became effective from 1st February 2021.	**Stevenage Direct Services**
Deliver and embed a new customer service model for the Customer Service Centre, supported by new and enhanced digital processes.	**Complete.** A new website and digital platform have gone live offering easier navigation, improved accessibility and enhanced digital options for residents.	**Digital and Transformation**
Update the Council's Communications Strategy, including a review of the Council's branding and corporate identity	**Complete.** Communications strategy and style guide updated for 2020. Review of sub-brands is currently underway to help provide clarity on the SBC corporate identity.	**Communications**
Carry out a review of staff engagement	**Complete.** Regular pulse staff surveys undertaken throughout the pandemic to monitor staff engagement and digital staff	**Human Resources**
Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits		
Service Plans for the Planning and Regulatory Services Business Unit to be reviewed and updated	The Service Plans are being reviewed as per new corporate guidelines. This action is being carried over to 2021/22.	**Planning and Regulation**
Implementation of the recommendations from the Waste Scrutiny Review	**Complete.** Recommendations from the Waste Scrutiny review have been implemented.	**Stevenage Direct Services**
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
An inclusive Economy Charter to be produced alongside an action plan to ensure the council drives social value through its activities and those	**Complete**. The Inclusive Economy Charter was approved at Executive in July 2020. The Co-operative and Inclusive Economy Charter was launched in November 2020 to encourage residents and businesses to work together to help protect Stevenage's economy.	**Communities and Neighbourhoods**

of other partners working in Stevenage.		
Recommendations from the peer review of Constitutional Services to be implemented	**Complete.** Peer review has been completed and recommendations have been considered.	**Constitutional Services**
Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it		
Recruit to the Head of Estates, Commercial Asset Manager and Surveyor posts in the Estates service to enhance capacity and implement the Corporate Landlord function	**Complete.** The Head of Estates has been recruited The Head of Estates has also taken management responsibility for Facilities Management and Property Services.	**Finance and Estates**
Recruit to the vacant roles in Reconciliation and the Paralegal Service as a result to the recent restructure of these services	**Complete.** The restructure of the Reconciliation Team is complete.	**Finance and Estates**
Corporate Governance Group to consider the implementation of induction training for Interim Staff	**Complete.** This has been considered by Corporate Governance Group and agency staff now receive induction training.	**Finance and Estates**
Update the final two job descriptions in the Planning and Regulatory Services unit	**In progress.** This is scheduled to be completed by June 2021.	**Planning and Regulation**
Recruit to vacant ICT posts.	**Complete**. Relevant posts have now been recruited to.	**Digital and Transformation**
Implementation and embedding of the SDS Workforce Plan	**Superceded.** This action has been superseded by the recent Business Unit Reviews.	**Stevenage Direct Services**
Finalise proposals, implement and embed the service reviews for Housing Repairs and Maintenance and Environmental Performance and Development	**Complete.** The service review for the Environmental and Commercial Support functions went live in November 2020. **Suspended.** The service review for the Policy and Development Team is currently suspended as budget growth would be required for this to be implemented. **Complete.** Phase One of the Repairs review is complete.	**Stevenage Direct Services**
Recruit to the vacant posts which have been created as a result of the Housing and Investment Future Council Business Review	**Complete.** All posts have been recruited to.	**Housing and Investment**
Review of job descriptions for all posts within the scope of the second phase of the Stevenage Direct Services Business Unit review	**In Progress.** First phase of the Operation service is complete. The second phase commenced in October 2020. Review underway of job descriptions, job titles and terms and conditions as required.	**Stevenage Direct Services**

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	In Progress. First phase of the repairs service is complete. Second phase commenced late 2020 that will look at remaining posts including job descriptions, job titles and terms and conditions to ensure future service standards are met. This action is being carried over to 2021/22.	
Principle F: Managing risks and performance through robust internal control and strong public financial management		
Business Case which outlines how ongoing GDPR monitoring/information governance is going to be resourced and proposals for a shared service with East Herts to be agreed and implemented.	**Complete.** A Business Case was submitted to East Herts District Council. The proposal to develop a shared service for Information Governance will not be going ahead.	**Digital and Transformation**
Complete the review of the Communities and Neighbourhood web pages to ensure that information is still valid and up to date for the launch of the Council's new website	**Complete.** The web pages have been reviewed.	**Community and Neighbourhoods**
Shared Legal Service Partnership Risk Register to be produced	**Complete.** A Shared Service Partnership Risk Register has been produced and agreed by the Shared Legal Service Partnership Board.	**Shared Legal Service**
Shared Legal Service Partnership Agreement to be updated to reflect GDPR requirements	**In progress.** This action is being carried over to 2021/22.	**Shared Legal Service**
Complete the review of documentation dating back to before the transfer to the new Shared Legal service under the advice of the Borough Solicitor and Lead Lawyer for the Shared Legal Service.	**In progress.** This has been delayed due to absence of staff in the office due to Covid-19. Prior to this, work has been carried out to rationalise the files but this work is not yet complete. This action is being carried over to 2021/22.	**Shared Legal Service**
Appointment of a Compliance Manager to carry out compliance activity as outlined in the five year Compliance Action Plan	**Complete.** The new Compliance Manager started on 14th October 2020.	**Housing and Investment**
Delivery of the five year Compliance Action Plan, incorporating actions identified following an independent compliance review of Housing Revenue Account properties	**Closed.** This has either been incorporated in the asset management strategy and covered by that action plan or superseded by building safety changes.	**Housing and Investment**

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Stevenage Direct Service budgets to be reviewed as part of SDS Business Unit Review to ensure they support both long term and short term outcomes	**Complete.** Service review within the support team will deliver full year savings from April 2021.	**Stevenage Direct Services**
Anti-Money Laundering and Anti-Bribery Policies to be launched and staff made aware.	**Complete.** The Anti-Money Laundering and Anti-Bribery Policies have been approved and are now available on the Council's intranet.	**Finance and Estates**
Complete the actions identified by the recent SIAS follow-up audit of the Street Cleansing Service	**Complete**, with the exception of the implementation of Collective which has been delayed due to Covid.	**Stevenage Direct Services**
Review of Operational Risk Registers to reflect new corporate services structure and reporting arrangements	**Complete.** Operational risk reporting has been reviewed to reflect new organisational structure.	**Various Services**
Principle G – Implementing good practice in transparency		
Continued monitoring of the new Shared Home Improvement Agency Function to ensure its effective implementation and medium term financial viability.	**Complete.** A report went to Executive on 6th October 2020 outlining the improvements which have been made to this service since the SIAS audit. Significant improvement has been made and Executive has agreed to remain a member of the Shared Home Improvement Agency.	**Planning and Regulation**

Actions identified by Service Assurance review for completion in 2021/22

Action identified for 2021/22	Service Area
Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
Ensure new Estates staff (when recruited) attend SBC Procurement training.	Finance & Estates
Carry out annual review of the Council's Whistle-Blowing Policy	Finance & Estates
Carry out a review of the Council's approach to complaints in accordance with the new requirements outlined in the new Social Housing White Paper	Housing & Investment
Customer First Training to be provided for new Starters in the Housing and Investment Business Unit and extend offer to Repairs and CSC	Housing & Investment
Financial training to be provided to Housing and Investment staff by the Finance and Estates business unit.	Housing & Investment

Review of Social Housing White Paper to ensure the Council is compliant with the new requirements contained in the new Paper.	Housing & Investment

Principle B: Ensuring openness and comprehensive stakeholder engagement	
Resident and STAR survey to be carried out.	Housing & Investment
Implement changes to the Repairs service to improve communication between teams when carrying out multi-team complex repairs	Stevenage Direct Services
Continue consultation with children and young people to inform significant capital play area improvements	Stevenage Direct Services
Feedback from residents and service data to be used to inform future project work in relation to the Garages Improvement Programme.	Stevenage Direct Services
Review customer feedback arrangements in the Digital and Transformation Business Unit to enhance overall insight of feedback received.	Digital and Transformation
Review of Contract Management training to ensure all staff who are required to monitor contracts are fully aware of Council procedures	Digital and Transformation
Carry out a review of the ICT Contracts Register	Digital and Transformation
Development of new Customer Strategy	Digital and Transformation
Shared Service Agreement between Stevenage Borough Council and East Herts to be finalised	Digital and Transformation
Review the model for customer services and customer complaints delivery.	Digital and Transformation

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits	
New Service Plan to be produced in line with corporate guidelines/template	Communities & Neighbourhoods
Recruitment to vacant posts in the Finance and Estates service areas.	Finance & Estates
Review performance measures in relation to monitoring use of agency staff.	HR & OD
Review and increase resources as required, as business cases move to projects, to meet the demands of the Town Deal.	Regeneration

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
Quarterly Shared Procurement Service meetings with East Herts and Hertsmere to be established.	Finance & Estates
Review of 2022/23 Capital Programme.	Finance & Estates

Complete the review of the Council's Procurement Strategy	Finance & Estates
Housing data to be uploaded to Housemark once the required information from Finance has been received.	Housing & Investment
Review of the HRA Business Plan	Housing & Investment
Resident engagement offer to be reviewed and new arrangements implemented	Housing & Investment
New Service Plan to be produced in line with corporate guidelines/template.	HR&OD
New Service Plan to be produced in line with corporate guidelines/template.	Planning and Regulation
New Service Plan to be produced in line with corporate guidelines/template.	Finance and Estates
New Service Plan to be produced in line with corporate guidelines/template.	Community and Neighbourhoods
New Service Plan to be produced in line with corporate guidelines/template	Stevenage Direct Services
New Service Plan to be produced in line with corporate guidelines/template	Digital and Transformation
New Service Plan to be produced in line with corporate guidelines/template	Housing and Investment
New Service Plan to be produced in line with corporate guidelines/template	Regeneration
New Service Plan to be produced in line with corporate guidelines/template	Housing Development
Implement Trade module of Collective (Waste management information system) .	Stevenage Direct Services
Implement digital solutions for parks bookings, tree management and fly tipping reporting.	Stevenage Direct Services
Implementation of the Collective Streets and Grounds module to be considered. This is partially dependent on delivery of new GIS system.	Stevenage Direct Services
Process improvements in relation to Garages to be carried out in collaboration with the Estates service.	Stevenage Direct Services
Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it	
Review of the service workforce plan to fully implement new structure and ensure succession planning .	Constitutional Services

Review job descriptions to ensure they reflect the new Constitutional Services structure	Constitutional Services
Review of training needs for Finance and Estates staff	Finance & Estates
Job descriptions to be reviewed as part of recruitment process	Finance & Estates
Complete the roll out of the new H&I Induction process.	Housing & Investment
Carry out a skills audit,	Housing & Investment
Carry out a review of the revised Housing and Investment structure to review the effectiveness of the recent H&I Business Unit Review.	Housing & Investment
Health and Safety Policy to be recirculated to Housing and Investment staff as a reminder.	Housing & Investment
Produce a workforce plan for the Regeneration Service.	Regeneration
Implementation of Workforce Plan for Stevenage Direct Services	Stevenage Direct Services
Training log to be created to record all training within the service area	Stevenage Direct Services
Service review to be carried out to create an establishment that is more resilient and flexible and less reliant on agency staff and more geared to commercial activity	Stevenage Direct Services
Review of job descriptions for all posts within the scope of the second phase of the Stevenage Direct Services Business Unit review	Stevenage Direct Services
Carry out a review of training across the Digital and Transformation Business Unit	Digital and Transformation
Principle F: Managing risks and performance through robust internal control and strong public financial management	
Complete review of Finance, Facilities and Estates Operational Risk Registers and rescoring to align with new risk scoring.	Finance & Estates
AD Finance and Estates to update the Council's Anti-Fraud and Corruption Policy.	Finance & Estates
Review of performance measures for 2021/22 reporting	Housing Development
Review of Performance measures for 2021/22 reporting	HR & OD
Staff to undertake annual refresher of GDPR e-learning	HR & OD

GDPR refresher training to be carried out.	Regeneration
Review of Performance measures for 2021/22 reporting	Digital and Transformation
Carry out a review of risk management arrangements for the shared ICT service	Digital and Transformation
Shared Legal Service Partnership Agreement to be updated to reflect GDPR requirements	Shared Legal Service
Complete the review of documentation dating back to before the transfer to the new Shared Legal service under the advice of the Borough Solicitor and Lead Lawyer for the Shared Legal Service.	Shared Legal Service
Principle G – Implementing good practice in transparency	
Update Local Land Assets information on the Council's Data Transparency Code page once the information required to do this is available	Finance & Estates
Ensure the Implementation of the audit recommendations arising from the February 2021 audit of PCI/DSS Compliance:	Finance & Estates/ Digital and Transformation
Salary information provided on the Data Transparency page of the Council's website to be reviewed in line with the requirements of the Data Transparency Code.	HR & OD

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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