

Public Document Pack



AUDIT COMMITTEE

Date: Tuesday, 7 June 2022

Time: 6.00pm

Location: Council Chamber, Daneshill House, Danestrete, Stevenage

Contact: Ian Gourlay (01438) 242703

committees@stevenage.gov.uk

Members: Councillors: T Callaghan (Chair), J Gardner (Vice-Chair), M Arceno, S Booth, A Farquharson, J Hollywell, G Lawrence CC, M McKay, L Rossati and T Wren.
Mr G Gibbs (Independent Co-opted Non-voting 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 2022/23 Municipal Year.

3. MINUTES - 28 MARCH 2022

To approve as a correct record the Minutes of the meeting of the Audit Committee held on 28 March 2022.

Pages 3 – 8

4. TERMS OF REFERENCE

To note the Terms of Reference for the Committee, as agreed by the Annual Council meeting on 25 May 2022.

Pages 9 – 10

5. 2019/20 AND 2020/21 EXTERNAL AUDIT OF SBC ACCOUNTS - UPDATE

To receive a verbal update from Ernst & Young regarding progress on completion of the 2019/20 external audit of SBC accounts; and on the programme of work for the 2020/21 accounts.

6. ANNUAL ASSURANCE STATEMENT AND ANNUAL REPORT 2021/22

To consider the Annual Assurance Statement and Internal Audit Annual Report 2021/22 prepared by SIAS.

Page 11 - 40

7. ANNUAL GOVERNANCE STATEMENT 2021/22 AND LOCAL CODE OF CORPORATE GOVERNANCE

To consider the Annual Governance Statement 2021/22 and Local Code of Corporate Governance.

Pages 41 – 96

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 - 28 MARCH 2022

To approve as a correct record the Part II Minutes of the meeting of the Audit Committee held on 28 March 2022.

Pages 97 - 98

11. STRATEGIC RISK REGISTER

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

Pages 99 - 152

12. URGENT PART II BUSINESS

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

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Monday, 28 March 2022

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Teresa Callaghan (Chair), Graham Lawrence CC, Nick Leech, Maureen McKay, Claire Parris and Loraine Rossati.
Mr Geoff Gibbs (Independent NonVoting Co-opted Member).

Start / End Start Time: 6.00pm
Time: End Time: 6.37pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Myla Arceno, Julie Ashley-Wren, Stephen Booth and John Gardner.

There were no declarations of interest.

2 MINUTES - 8 FEBRUARY 2022 AND 28 FEBRUARY 2022

It was **RESOLVED** that the Minutes of the meetings of the Audit Committee held on 8 February 2022 and 28 February 2022 be approved as correct records and signed by the Chair.

3 SAFS PROPOSED ANTI-FRAUD PLAN 2022/23 AND PROGRESS ON THE ANTI-FRAUD PLAN 2021/22

The Shared Anti-Fraud Service (SAFS) Manager presented the proposed Anti-Fraud Plan for 2022/23, together with a progress update on the 2021/22 Anti-Fraud Plan.

In relation to the proposed 2022/23 Anti-Fraud Plan, the SAFS Manager advised that it had been designed to meet the recommendations of the Fighting Fraud and Corruption Locally (FFCL) Strategy by adopting the five “pillars” of Protect, Govern, Acknowledge, Prevent and Pursue, the objectives of which were set out in the 2022/23 SBC/SAFS Action Plan included in the report.

The SAFS Manager reported that, in December 2021, the SAFS Board had agreed to increase fees for all Partners by 2.5% to meet increased service costs from April 2022. Stevenage Borough Council fees for 2022/23 were £107,707. In respect of resources, SBC Council would have exclusive access to 1 FTE Counter Fraud Officer (Investigator); access to intelligence functions; data-matching services being offered through the Herts Fraud Hub; and could call on SAFS management for liaison meetings, management meetings and three Audit Committees reports per annum. An Accredited Financial Investigator was also available to assist in money

laundering or proceeds of crime investigations. SBC's Tenancy Fraud Investigator would remain seconded to SAFS for 2022/23, and their workload and line management would be provided directly by SAFS.

The SAFS Manager drew attention to some changes to Key Performance Indicators for 2022/23, namely the sharing of fraud alerts within 2 working days; dissemination of non-SBC referrals to third parties within 2 working days; the introduction of a Money Laundering Reporting Officer role; and support for Covid grant schemes and other local/national responses to the pandemic.

With regard to progress on the 2021/22 Anti-Fraud Plan, the SAFS Manager advised that between April and December 2021 SAFS had received 88 allegations (referrals) of fraud affecting Council services. Of the 88 matters reported, the majority (45) were reported by the general public; 33 by staff; and 10 from proactive work, including data-analytics. He was pleased to add that no Covid grant frauds had been reported in 2021/22.

The SAFS Manager stated that, in conjunction with SBC's Housing Department and Shared Legal Services, 7 Council properties subject to an element of tenancy fraud had been recovered. The use of information provided through National Fraud Initiative (NFI) programmes had also proven very useful, producing a number of positive results.

In response to Members' questions, the SAFS Manager replied as follows:

- there had been a slight reduction in fraud reporting from staff during hybrid working throughout the Covid pandemic. Further fraud awareness training was planned, both face to face and via Teams, with a view to simplifying the process for fraud reporting;
- public awareness of fraud issues was to be raised through another communications campaign; and
- a breakdown of the fraud/loss savings of £475,000 for 2021/22, as referred to in Paragraph 4.5 of the report, would be provided as part of the SAFS Annual Report to be submitted to the Committee in September 2022.

It was **RESOLVED**:

1. That the proposed SAFS Anti-Fraud Plan for 2022/23, as attached at Appendix A to the report, be approved.
2. That the activity to protect the Council against fraud and corruption, as outlined in the report, be noted.

4 SIAS INTERNAL AUDIT PLAN 2021/22 - PROGRESS REPORT

The SIAS Client Audit Manager presented a progress report with regard to the SIAS Internal Audit Plan 2021/22 (up to 11 March 2022).

The SIAS Client Audit Manager advised that most of the planned 2021/22 audit work had been completed, as set out in Appendix A to the report. Since the previous

progress report, one planned audit (IT Resilience) had been cancelled. The two outstanding Critical/High Priority Recommendations relating to the Landlord Health & Safety audit, as described in Appendix B to the report, were due for completion by 31 March 2022. The full year-end position would be reported to the June 2022 meeting of the Committee.

The Committee requested the SIAS Client Audit Manager to re-instate the cancelled Quarter 4 IT Resilience audit into the Audit Plan for 2022/23.

It was **RESOLVED**:

1. That the SIAS Internal Audit Plan 2021/22 progress report be noted.
2. That the changes to the Internal Audit Plan, as at 11 March 2022, be approved.
3. That the status of Critical and High Priority Recommendations be noted.
4. That the SIAS Client Audit Manager be requested to re-instate the cancelled Quarter 4 IT Resilience audit into the Audit Plan for 2022/23.

5 SIAS INTERNAL AUDIT PLAN 2022/23

The SIAS Client Audit Manager presented a report in respect of a proposed SBC Internal Audit Plan for 2022/23.

The SIAS Client Audit Manager advised that the Council's Internal Audit Plan outlined the programme of internal audit work for the year ahead, and formed part of the Council's wider assurance framework. He referred to Appendix A to the report, which contained the proposed outline scope of each audit, and included the Council's Key Financial Systems; various operational audits; IT audits; and Joint/Shared Service audits. The Plan had been endorsed by SBC's Strategic Leadership Team in February 2022. The Committee would be informed of any unforeseen work arising during the year undertaken by SIAS at the request of SBC.

The following answers were given to questions raised by Members:

- in relation to the re-instated IT Resilience audit, this would either replace a programmed audit with a lower risk level or would be resourced through contingency audit days;
- due to its low risk level, no audit of the Indoor Market was planned for 2022/23;
- the process for deciding which audits to include on the active list and which to include on the reserve list was through the overall risk assessment score for a variety of factors (financial risk; reputational risk; risk to the public, etc.). The higher the score, the more likelihood of an audit appearing on the active list;
- although an audit of Council garages was on the reserve list, it was confirmed that the Executive was aware of current performance issues and would be receiving a report in Quarter 1 or Quarter 2 of 2022/23 regarding a Business Case for performance improvement. The Strategic Director (RP) would give consideration to a possible presentation of the Business Case to a future meeting of the Committee.

It was **RESOLVED** that the proposed Stevenage Borough Council Internal Audit Plan for 2022/23, as set out in Appendix A to the report, be approved.

6 CORPORATE GOVERNANCE ARRANGEMENTS

The Corporate Performance and Improvement Officer presented a report in respect of the activity carried out in 2021/22 to strengthen the Council's corporate governance arrangements, together with corporate governance enhancement for delivery in 2022/23, which would be reflected in the Council's 2021/22 Annual Governance Statement.

In respect of progress on activity carried out during 2021/22 (set out in Appendix A to the report), the Corporate Performance and Improvement Officer advised that a significant amount had been achieved, in spite of the impacts of the Covid-19 pandemic.

The Corporate Performance and Improvement Officer referred to the proposed activity identified for delivery in 2022/23 (set out in Appendix B to the report). These would be included in the Annual Governance Statement (AGS) report to be submitted to the June 2022 meeting of the Committee. She reminded Members that activity was deemed significant if recommended for inclusion in the AGS by SIAS following their review of control arrangements to meet the Audit Plan or identified as key to the management of "very high/high" strategic risks.

It was **RESOLVED**:

1. That the progress on corporate governance enhancement activity during 2021/22, as set out in Appendix A to the report, be noted.
2. That the corporate governance enhancement activity identified for 2022/23, as set out in Appendix B to the report, for inclusion in the Council's 2021/22 Annual Governance Statement, be noted.

7 URGENT PART I BUSINESS

Effectiveness of the Audit Committee

The Chair advised that she and the Committee's Independent Member had discussed a review of the effectiveness of the Committee. To this end, she would be sending some information to Members in the coming months, so that feedback could be reported back to the Committee in the summer of 2022.

8 EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED**:

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 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.

9 STRATEGIC RISK REGISTER

The Corporate Performance and Improvement Officer presented a Part II report in respect of the Council's latest Strategic Risk Register.

It was **RESOLVED** that the latest Strategic Risk Register (set out in Appendices A1 – A3 to the report) be noted.

10 URGENT PART II BUSINESS

None.

CHAIR

This page is intentionally left blank

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.

This page is intentionally left blank



Stevenage Borough Council
2021/22 Annual Assurance Statement and
Internal Audit Annual Report

7 June 2022

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)

Approve the SIAS Audit Charter

Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2021/22

Contents

1. Purpose and Background
 - 1.1 Purpose
 - 1.2 Background

2. Annual Assurance Statement for 2021/22
 - 2.1 Context
 - 2.2 Control Environment
 - 2.4 Review of Effectiveness - compliance with the PSIAS and QAIP
 - 2.13 Confirmation of independence of internal audit and assurance on limitations
 - 2.14 Assurance Opinion on Internal Control
 - 2.15 Assurance Opinion on Corporate Governance and Risk Management

3. Overview of Internal Audit Activity at the Council in 2021/22

4. Performance of the Internal Audit Service in 2021/22
 - 4.1 Performance Indicators
 - 4.2 Service Developments

5. Audit Charter 2022/23

Appendices

- A Final position against the Council's 2021/22 Audit Plan

- B Definitions of Assurance Recommendation Priority Levels

- C Position against Public Sector Internal Audit Standards as of April 2022

- D Internal Audit Charter 2022/23

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) framework of governance, risk management and control. Reference is made to 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 2022/23 Audit Charter for approval.

Background

- 1.2 A key duty of the Chief Audit Executive (the Council's Client Audit Manager) is to provide an annual internal audit opinion, concluding on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion informs the conclusions of the Council's Annual Governance Statement.
- 1.3 In preparing this annual report, it is important to acknowledge the challenges presented to Local Authorities in responding to COVID-19, which continued to impact the Council during 2021/22. Whilst the Council has essentially returned to business as usual, some changes to governance structures and internal control arrangements in response to the challenges presented by the pandemic would have been operating during 2021/22.
- 1.4 The assurance opinion in this report is based on internal audit work undertaken during 2021/22. The Audit Plan continued to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2022/23 before the Audit Committee report deadline.
- 1.5 As reported to the Audit Committee in June 2021, SIAS changed the scale and definitions of assurance ratings used to communicate the results of audit assignments from 1 April 2021. This change was in response to the CIPFA publication in April 2020, "Internal Audit Engagement Opinions – Setting Common Definitions", where CIPFA recommended that a standard range of opinions and definitions were used by Internal Audit teams with the intention of:
 - Increasing confidence amongst audit committee members and managers that the engagement opinion issued is consistently applied.

- Assist the sharing, comparability and understanding of assurances across public bodies.
 - Supporting audit committee members and senior managers in their understanding of audit reports, in particular those that sit on more than one public sector audit committee, or in respect of partnerships and joint ventures.
 - Supporting the training of internal audit staff, helping to drive up the quality and consistency of audit opinions, and facilitate staff moving across different internal audit teams.
 - Reducing disruption when changing internal audit provider
- 1.6 The associated definitions for the opinions of Substantial, Reasonable, Limited and No assurance, can be found within Appendix B of this report.
- 1.7 SIAS is grateful for the co-operation and support it has received from client officers during 2021/22.

2. Annual Assurance Statement 2021/22

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 Client Audit Manager 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 our Quality Assurance and Improvement Programme, 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

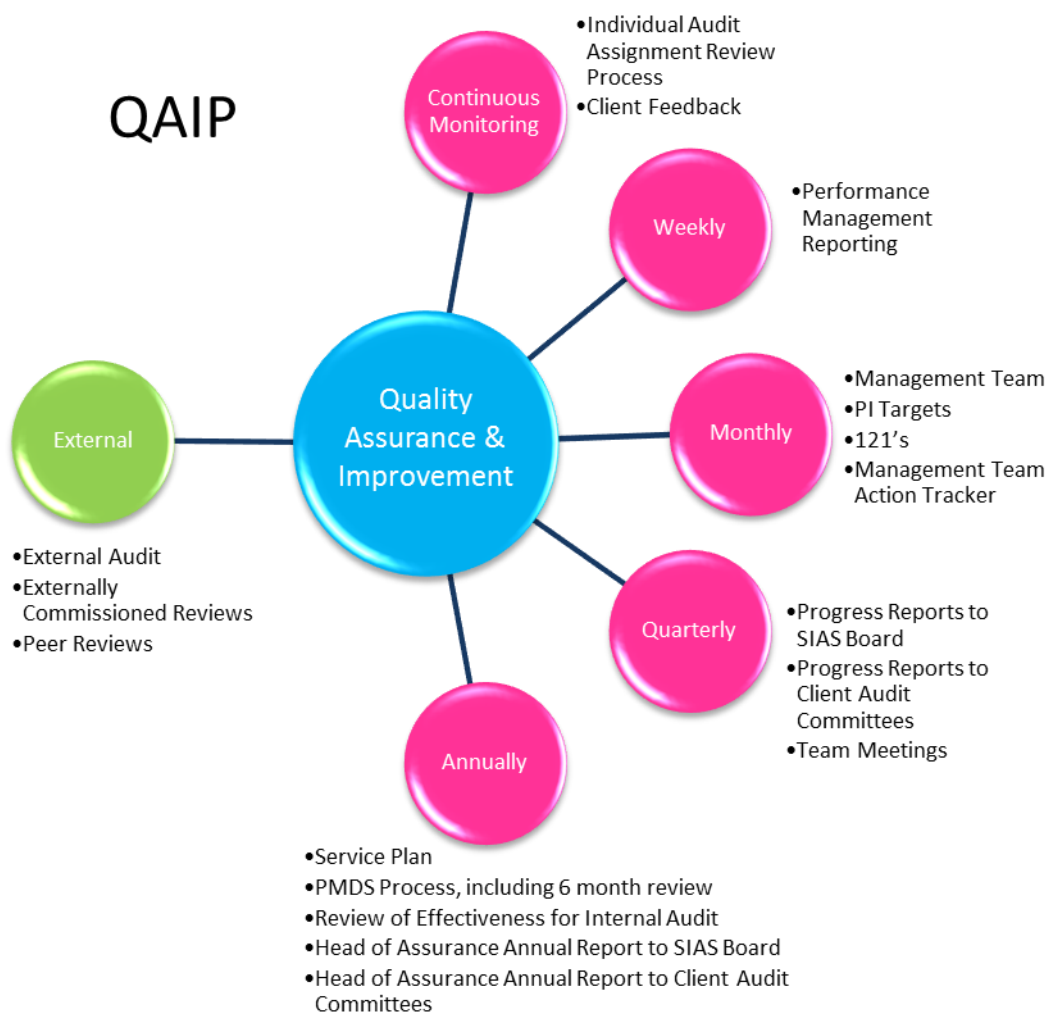
Annual Assurance Statement and Internal Audit Annual Report - Stevenage Borough Council

Professional Practices Framework (IPPF). They promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. They also 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 PSIAS also requires that the SIAS be subject to an external quality assessment (EQA) at least once every five years. This should be conducted by a qualified, independent assessor or assessment team from outside the organisation. This review was completed in June 2021 (the previous review being undertaken in 2015/16), with the result of the assessment reported to the Audit Committee in February 2022.
- 2.7 The EQA outcomes concluded that SIAS 'partially conforms' to the PSIAS. The findings that led to this conclusion largely related to defining the role of the Chief Audit Executive, the Audit Committee, and reflecting this in the Audit Charter. Associated recommendations made in the peer review were subsequently addressed in year, permitting SIAS to 'generally conform' to the Standards. 'generally conforms' is the highest opinion within the scale of three ratings, and the peer review also identified areas of good practice and high standards.
- 2.8 Within the EQA report, the assessors provided ratings of 'generally conforms' (the highest rating) for 36 of the 43 PSIAS standards, and 'partially conforms' for the remaining seven standards. The assessors concluded that revisions to Audit Charter would address the three relevant areas of partial conformance that would allow SIAS to self-assess as generally conforms. The revisions to the Audit Charter were completed, presented to, and approved by the Audit Committee in February 2022.
- 2.9 In respect of the remaining four areas of partial conformance, these were not deemed material by the assessors to the overall assessment rating, but nevertheless were identified as areas for further development. These have been addressed in year by SIAS as part of our service plan activities.
- 2.10 Based on the results of the 2022/23 PSIAS self-assessment, the Head of Assurance (HCC) has concluded 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.
- 2.11 The self-assessment identified two areas of agreed non-conformance, these reflecting the unique nature of a partnership arrangement and are not considered material. These are detailed in Appendix C. There are no significant deviations from the Standards which warrant inclusion in the Council's Annual Governance Statement.

Annual Assurance Statement and Internal Audit Annual Report - Stevenage Borough Council

2.12 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.



Confirmation of independence of internal audit and assurance on limitations

2.13 The Client Audit Manager confirms that during the year:

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

Annual Assurance Statement for 2021/22

Assurance opinion on internal control

- 2.14 Based on the internal audit work undertaken at the Council in 2021/22, 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 on Corporate Governance and Risk Management

- 2.15 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 2021/22 and the specific reviews of Risk Management and Corporate Governance carried out by SIAS during the year. Both audits received a Substantial assurance rating.

Simon Martin
Client Audit Manager
May 2022

3. Overview of Internal Audit Activity at the Council in 2021/22

- 3.1 This section summarises work undertaken at the Council by SIAS in 2021/22. It highlights any significant internal control matters and opportunities for improvement.
- 3.2 Appendix A shows the final position against the audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below (2020/21 data in brackets).

Assurance Level	Number of reports 2021/22 (2020/21 data in brackets)	Percentage of reports 2021/22 (2020/21 data in brackets)
Substantial	12 (9)	45% (33%)
Reasonable	10 (14)	37% (52%)
Limited	2 (2)	7% (7%)
No	0 (1)	0% (4%)
Not Assessed	2 (1)	7% (4%)
Not Complete	1 (0)	4% (0%)
Total	27 (27)	100% (100%)

Recommendation Priority Level	Number of recommendations 2021/22 (2020/21 data in brackets)	Percentage of recommendations made 2021/22 (2020/21) data in brackets)
Critical	0 (0)	0% (0%)
High	3 (6)	7% (9%)
Medium	18 (38)	44% (58%)
Low	20 (22)	49% (33%)
Total	41 (66)	100% (100%)

- 3.3 **The Reasonable assurance opinion overall on financial systems** has been concluded from nine financial systems audits. Six received Substantial assurance and three received Reasonable assurance. No Critical or High priority recommendations were made across these audits. However, six Medium priority recommendations were made.
- 3.4 **The Reasonable assurance opinion overall on non-financial systems** has been concluded from 17 audits. Six audits received Substantial assurance, seven received Reasonable assurance and two received Limited assurance. In addition, two audits were classified as “Not Assessed” i.e. no audit assurance opinion was given and one audit was

incomplete at the time of writing this report. Three High priority recommendations were made across these audits.

- 3.5 In arriving at our Reasonable assurance opinion for non-financial systems, we highlight that 87% of opinions issued for individual audits during the year were assessed as Substantial or Reasonable 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 Cyber Security audit, and the Landlord Health and Safety Follow Up audit, both receiving a Limited assurance opinion and containing a total of three High priority recommendations.
- 3.6 Three audits were at draft report stage at the time of writing this Annual Report, with a management response awaited. These audits have contributed to the assurance opinion for 2021/22.
- 3.7 As with many other areas of the Council's operations, the impacts of COVID-19 and the move to hybrid working arrangements resulted in SIAS continuing to review and adjust the approach to audits. Social distancing requirements and the move to hybrid working resulted in SIAS undertaking audits through remote approaches, such as MS Teams. Whilst a different approach, this did not present significant issues in relation to conducting our work.
- 3.8 For some audits, lower evidence bases were used for compliance testing, due to the practical difficulties of obtaining the required evidence, with data analytics used where appropriate to provide whole population testing.

Critical and High Priority Recommendations

- 3.9 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.
- 3.10 Three High priority recommendations were made within audits carried out during 2021/22. 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 2021/22

Performance indicators

4.1 The table below compares SIAS's performance at the Council against the 2021/22 targets set by the SIAS Board.

Indicator	Target 2021/22	Actual to 31 March 2022
1 SIAS Planned Days – percentage of actual billable days delivered against planned billable days	95%	95%
2 SIAS Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	93%
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% (9 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% (2 agreed)

Service Developments

- 4.2 During 2021/22 the main service and development activities for SIAS included:
- a) Organisational Change – the Service was restructured during the Autumn, partly as a response to changes in client commissions and budgetary pressures, but also recognition that the Service needed to re-skill staff in areas such as data analytics and assurance mapping. As part of the above changes SIAS will be following a “grow your own” strategy, looking to develop staff from the bottom of the structure to progress through the different levels of the Service. A Training & Development Strategy has also been produced to build staff skills and knowledge to support the above Strategy.
 - b) Recruitment and Retention – in addition to the above, several staff have left the Service for new jobs during 2021/22. The current market is widely recognised as very challenging, however the Service has successfully recruited two new Trainees and a new Client Audit Manager during the last six months, as well as internal promotions for three staff members.
 - c) External Quality Assessment (EQA) – As part of the terms of reference for the review, the Head of Assurance Services took the opportunity to ask the assessors to expand the remit of the assessment to look at improvement opportunities for the partnership, beyond just the requirements of PSIAS. Key changes prompted through this review include revisions to the audit planning process (improving the visibility of the links to risk registers, corporate objectives, and other assurance provision), review of the existing processes for customer feedback on the audit service and updates to the audit manual to support staff new to management / supervisory activities.
 - d) Ways of Working – like other services, SIAS has considered how best to operate following the relaxation of COVID-19 home working arrangements. As part of this, the Service has recently moved from being based at Robertson House in Stevenage to County Hall in Hertford. SIAS staff are now returning to the office when needing to collaborate, under an overall hybrid working arrangement. Visits to client premises have also resumed and are being made when it is beneficial to do so.
 - e) Data Analytics – SIAS continue to progress the adoption of data analytics into the audit process where this is deemed feasible. 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. The above is being supported through close collaboration with our colleagues in the Local

Authority Chief Auditors Network, our co-sourced audit partner (BDO) and training and development for our audit staff.

5. Audit Charter 2022/23

- 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 May 2022 did not result in any changes and the 2022/23 Charter is attached at Appendix D.

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2021/22 AUDIT PLAN

Stevenage Borough Council Audit Plan – 2021/22

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Key Financial Systems							
Housing Rents	Substantial	0	0	0	0	10	Final Report Issued *
Business Rates	Substantial	0	0	1	0	7	Final Report Issued
Council Tax	Substantial	0	0	1	1	7	Final Report Issued
Housing Benefits	Substantial	0	0	0	2	7	Final Report Issued
Cash & Banking	Substantial	0	0	0	0	10	Final Report Issued
Treasury Management	Substantial	0	0	0	0	10	Final Report Issued
Payroll	Reasonable	0	0	2	2	10	Final Report Issued
Creditors	Reasonable	0	0	1	0	10	Final Report Issued
Debtors	Reasonable	0	0	1	3	10	Final Report Issued *
Main Accounting						0	Audit Cancelled
Operational Audits							
Vehicle Workshop	Substantial	0	0	0	1	10	Final Report Issued

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2021/22 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Homelessness & Housing Advice						10	In Fieldwork
Housing Allocations	Reasonable	0	0	1	1	10	Draft Report Issued **
Leaseholder Liability	Reasonable	0	0	1	1	10	Draft Report Issued
Community Safety (SADA)	Reasonable	0	0	3	2	10	Final Report Issued
Youth Council	Reasonable	0	0	2	3	8	Final Report Issued
Welfare Reform						0.5	Audit Cancelled
Council Housebuilding & Acquisitions Programme						0	Audit Cancelled
Contract Management	Substantial	0	0	0	0	10	Final Report Issued
Housing Development Site - North Road	Substantial	0	0	0	0	11	Final Report Issued
Follow Up Audit (1)	Limited	0	2	0	2	5	Final Report Issued
Follow Up Audit (2)	Reasonable	0	0	0	0	5	Final Report Issued
Homes England - Grant Audit	Not Assessed ***	0	0	0	0	5	Final Report Issued
COVID-19 Pandemic Response & Recovery	Not Assessed ***	0	0	0	0	12	Final Report Issued

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2021/22 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Health & Safety	Reasonable	0	0	1	0	10	Final Report Issued
Information Governance	Reasonable	0	0	2	1	10	Final Report Issued
Capital Programme Development & Delivery	Substantial	0	0	0	1	10	Final Report Issued
Risk Management	Substantial	0	0	0	0	7.5	Final Report Issued *
Corporate Governance	Substantial	0	0	0	0	7.5	Final Report Issued *
IT Audits							
IT Resilience						0	Audit Cancelled
Cyber Security	Limited	0	1	2	0	10	Draft Report Issued
Other Chargeable							
2022/23 Audit Planning	-	-	-	-	-	6	Complete
Plan Delivery Monitoring	-	-	-	-	-	12	Complete
Annual Audit Opinion 2020/21	-	-	-	-	-	3	Complete
Client Liaison	-	-	-	-	-	4	Complete

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2021/22 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Adhoc Advice	-	-	-	-	-	5	Complete
Audit Committee	-	-	-	-	-	8	Complete
Shared Learning and Joint Reviews	-	-	-	-	-	4.5	Complete
SIAS Development & EQA	-	-	-	-	-	6	Complete
2020/21 Projects Requiring Completion	-	-	-	-	-	4	Complete
Contingency	-	-	-	-	-	20	N/A
Total		0	3	18	20	315	

Page 26

* At Draft Report stage on 31 March 2022, Final Report issued after year end.

** Draft Report issued after year end

*** Not Assessed means an assurance opinion was not required

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

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

2021/22 Definitions of Assurance and Recommendation Priority Levels

Assurance Level		Definition
Substantial		A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable		There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited		Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No		Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks to the achievement of objectives in the area audited.
Priority Level		Definition
Service	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.
	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.

APPENDIX C – POSITION AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT APRIL 2022 – ACTION PLAN

Section A: Conformance - 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	<p>Purpose, Authority and Responsibility</p> <p>Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE)?</p>	<p>The Head of Assurance, 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.</p> <p>This is as provided for in the governance of the Shared Internal Audit Service.</p>	<p>Non-conformance</p> <p>No further action proposed. The current arrangements are considered effective given the shared nature of SIAS.</p>
3.1c	<p>Purpose, Authority and Responsibility</p> <p>Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?</p>	<p>The performance appraisal is carried out by the Head of SIAS (HCC).</p>	<p>Non-conformance</p> <p>No further action proposed. The appraisal process was carried out by the Head of SIAS (HCC). The current arrangements are considered effective given the shared nature of SIAS.</p>



Audit Charter 2022/2023

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.
- 1.2. 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. Statutory Basis of Internal Audit

- 2.1. 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'.
- 2.2. 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.

3. Role

- 3.1. SIAS internal audit activity is overseen by Stevenage Borough 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.

- 3.2. SIAS may undertake additional consultancy activity requested by management. The Client Audit Manager 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.

4. Professionalism

- 4.1. 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.
- 4.2. 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.
- 4.3. 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.
- 4.4. Should non-conformance with the PSIAS be identified, the Head of SIAS 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.

5. Authority and Confidentiality

- 5.1. 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 an engagement is safeguarded and confidentiality respected in accordance with the Council's GDPR and information security policies.
- 5.2. 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.

6. Organisation

- 6.1. The Client Audit Manager and their representatives have free and unrestricted direct access to Senior Management, the Audit Committee, the Chief Executive, the Chair of the Audit Committee and the External Auditor. The Client Audit Manager will communicate with any and all of the above parties at both committee meetings and between meetings as appropriate.
- 6.2. The Chairman of the Audit Committee has free and unrestricted direct access to both the Client Audit Manager and the Council's External Auditor.
- 6.3. The Client Audit Manager is line managed by the Head of SIAS who approves all decisions regarding the performance evaluation, appointment, or removal of the Client Audit Manager, in consultation with the SIAS Board.

7. Stakeholders

The following groups are defined as stakeholders of SIAS:

- 7.1. The Head of Assurance (HCC), working with the Head of SIAS, both suitably experienced and qualified (CCAB and / or CMIIA), is 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
- 7.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Client Audit Manager 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.
- 7.3. 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.
- 7.4. Where stated in its Terms of Reference, the Audit Committee provides an annual report to the Council 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.

- 7.5. The Client Audit Manager is responsible for ensuring that the outcome of all final Internal Audit reports is reported to all members of the Audit Committee, in a format agreed with these relevant parties.
- 7.6. 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.
- 7.7. 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.

8. Independence and Objectivity

- 8.1. 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.
- 8.2. 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.
- 8.3. When asked to undertake any additional roles/responsibilities outside internal auditing, the Client Audit Manager 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 Client Audit Manager may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.
- 8.4. Where SIAS has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, the Client Audit Manager and Head of SIAS will ensure that the risks of doing so are managed effectively, having regard to the Head of SIAS's primary responsibility to the management of the partners for which they are engaged to provide internal audit services.
- 8.5. The Client Audit Manager will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

9. Conflicts of Interest

- 9.1. 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.
- 9.2. 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.
- 9.3. 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.
- 9.4. SIAS procures an arrangement with an external delivery partner to provide service resilience, i.e., additional internal audit days on request. The external delivery partner will be used to deliver engagements as directed by the Client Audit Manager in particular providing advice and assistance where SIAS staff lack the required skills or knowledge. The external delivery partner will also be used to assist with management of potential and actual conflicts of interest in internal audit engagements, providing appropriate independence and objectivity as required.
- 9.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements, or other benefits) the Client Audit Manager will investigate and report on the matter to appropriate parties.
- 9.6. Hertfordshire County Council's Head of Assurance not only leads and has overall management responsibility for SIAS, but also the similarly constituted Shared Anti-Fraud Service (SAFS).
- 9.7. Given that SIAS will potentially undertake internal audit activity in relation to SAFS, this relationship is formally disclosed, and appropriate safeguards will be put in place against any potential impairment to independence. The Head of SIAS will manage the internal audit engagement of this service and report findings directly to the Strategic Director (CFO) in their capacity as S151 Officer.

10. Responsibility and Scope

- 10.1. 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.

- 10.2. 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
- 10.3. 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.
- 10.4. 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.
- 10.5. 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.

11. Role in Anti-Fraud

- 11.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee and, where applicable, the Shared Anti-Fraud Service (SAFS), seeks to provide assurance on how the council manages the fraud risks to which it is exposed.
- 11.2. SIAS must have sufficient knowledge to evaluate the risk of fraud and the way it is managed by the Council but are not expected to have the expertise of a person or team whose primary responsibility is detecting and investigating fraud.
- 11.3. SIAS will exercise due professional care by considering the probability of significant errors, fraud, or non-compliance when developing audit scopes and objectives.

- 11.4. SBC is a partner of both SIAS and SAFS and benefits from collaboration and intelligence sharing between the teams. This informs both horizon scanning as part of the internal audit planning process and individual audit engagements.
- 11.5. The Client Audit Manager should be notified of all suspected or detected fraud, corruption, or impropriety so that the impact upon control arrangements can be evaluated.

12. Internal Audit Plan

- 12.1. Following discussion with appropriate senior management, the Client Audit Manager 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 the Section 151 Officer and Senior Leadership Team 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.
- 12.2. 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.
- 12.3. 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.

13. Reporting and Monitoring

- 13.1. 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 engagement may occur and will be agreed following consultation with the client.
- 13.2. 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.
- 13.3. 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 Client Audit Manager to all relevant parties. A revised internal audit opinion may be issued on the basis of follow-up activity.

- 13.4. In consultation with senior management, the Client Audit Manager will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.
- 13.5. 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. Hertfordshire County Council's Head of Assurance will also make a statement of conformance with PSIAS, using the results of the annual self-assessment and Quality Assurance and Improvement Plan (QAIP) required by the PSIAS. The statement will detail the nature and reasons for any impairments, qualifications, or restrictions in scope for which the Committee should seek reassurances from management. Any improvement plans arising will be included in the annual report.

14. Periodic Assessment

- 14.1. PSIAS require Hertfordshire County Council's Head of Assurance and the SIAS Board to arrange 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.
- 14.2. Hertfordshire County Council's 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.
- 14.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner's Annual Report.

15. Review of the Audit Charter

- 15.1. The Client Audit Manager will review this charter annually and will present to the first audit committee meeting of each financial year, any changes for approval.
- 15.2. The Client Audit Manager reviewed this Audit Charter in May 2022. It will next be reviewed in April 2023.

Glossary of Terms

<p>Audit Committee</p>	<p>The PSIAS defines the Audit Committee as “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.”</p> <p>The Audit Committee operates in accordance with its terms of reference contained in Stevenage Borough Council’s Constitution.</p> <p>CIPFA’s <i>Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition</i> indicates that for a local authority, it is best practice for the audit committee to report directly to full council rather than to another committee, as the council itself most closely matches the body of ‘those charged with governance’. This is the case at SBC.</p>
<p>Audit Plan</p>	<p>The programme of risk-based work carried out by the Shared Internal Audit Service (SIAS) on behalf of its clients.</p>
<p>Board</p>	<p>The PSIAS defines the ‘Board’ as “The highest-level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organisation’s activities and hold senior management accountable. Although governance arrangements vary among jurisdictions and sectors, typically the board includes members who are not part of management. If a board does not exist, the word “board” in the Standards refers to a group or person charged with governance of the organisation. Furthermore, “board” in the Standards may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an Audit Committee).</p> <p>For the purposes of the SIAS Audit Charter, the Board as referred to in the PSIAS shall be Stevenage Borough Council’s Audit Committee. All references to the Audit Committee in the SIAS Audit Charter should be read in this</p>

	context.
Chief Audit Executive (CAE)	<p>The PSIAS describes the role of CAE as “a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The CAE or others reporting to the CAE will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the CAE may vary across organisations.”</p> <p>The CAE is fundamental to the success of the service and to the extent to which it complies with the Standards. Regular reference is made to this role throughout the PSIAS, including some specific requirements relating to whoever is designated the role.</p> <p>For the purposes of the SIAS Audit Charter, the CAE as referred to in the PSIAS shall be SBC’s Client Audit Manager. All references to the Client Audit Manager in the SIAS Audit Charter should be read in this context.</p>
Management	Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers, and their direct reports.
Public Sector Internal Audit Standards (PSIAS)	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.
Shared Internal Audit Service (SIAS)	SIAS is a local authority partnership comprising

APPENDIX D – AUDIT CHARTER 2022/2023

	Hertfordshire County Council (HCC) and seven Hertfordshire district and borough councils. SIAS also provides internal audit services to a limited number of external clients. HCC is the host authority for the partnership and provides support services such as HR, technology, and accommodation.
SIAS Board	The Board that comprises officer representatives from the partner authorities and that is responsible for the governance of the SIAS partnership.

Note:

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

This page is intentionally left blank

Meeting: **Audit Committee**

Portfolio Area: All

Date: **7 June 2022**

2021/22 Annual Governance Statement and Local Code of Corporate Governance

Author – Suzanne Brightwell, ext 2966

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

Lead Officer – Clare Fletcher, ext 2933

Contact Officer – Suzanne Brightwell, ext 2966

1. PURPOSE

- 1.1. To advise Members of the Audit Committee on the content of the Council's Annual Governance Statement for 2021/22 and 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 2021/22 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 8th June 2021. The code has been reviewed and is attached 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 reference to new Fraud Sanctions Policy which was approved by Audit Committee in November 2021.
Principle B	Added reference to the Social Value Portal which is now being used to monitor, measure and manage the tendering and delivery of social value through contracts and other business-related activities
Principle B	Reflect that Council, Executive and Overview and Scrutiny meetings continue to be recorded and are available via You Tube which means that members and the public can view meetings at a time convenient to them.
Principle C	Added reference to the Council's new EDI Policy and that an agreed set of objectives to promote equality, diversity and inclusion across the Council's services, communities and workforce over the next four years have been agreed.
Principle C	Changed Leaders Financial Security Group to be Leader's Making Your Money Count Group
Principle D	Deletion of reference to the Housing Management Board. A review of resident involvement has been carried out and new arrangements will be implemented in 2022/23.
Principle F	Added a reference advising that the Council now has a Senior Information Risk Officer. This is a senior officer with individual responsibility for managing departmental information risks.

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, there are currently delays in audits nationally. To reflect this, the government has extended the statutory deadline for publishing audited local authority accounts to 30th September from 31st July from 2020/21 for 2 years.
- 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.

3.4.5 The Council has an agreed local framework for compiling the Annual Governance Statement. Arrangements for governance in 2021/22 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 actions which are required to enhance the Council's governance arrangements.
- Prepare the 2021/22 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 17th May 2022.
- 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 28th March 2022.

3.4.7 The actions included in the Annual Governance Statement relate to improvement actions identified by the Shared Internal Audit Service via high audit recommendations or action to manage 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 associated delivery of priority outcomes should be addressed.

3.4.8 Actions included in the Annual Governance Statement for 2021/22 are:

- Implementation of a Corporate Landlord function to ensure the effective management of the Council's assets.
- To review the Council's finances to ensure the Council has sufficient resources to fund its medium and long term service plans and corporate priorities.
- Delivery of the Council's Co-operative Commercial and Insourcing Strategy and Action Plan to ensure that the Council's Making Your Money Count targets can be met.

- Activity to ensure that the impact on the Council's finances of the Covid-19 pandemic are reflected in the Council's Medium Term Financial Strategies and HRA Business Plan and implement the town wide Covid Recovery Plan.
- Activity to ensure the Council can deliver new Council homes as programmed and continue to ensure good governance of the Housing Development programme.
- Continue with Community Wealth Building and other social value initiatives, complete the review of the Arrears Action Plan, and continue to work with Stevenage Together in response to the socio-economic impact of welfare reform, the Covid-19 pandemic, the economic downturn and the recent rise in the cost of living.
- Continue to work with the Council's leisure contractor to ensure the recovery of leisure services from the Covid-19 pandemic and carry out the procurement process for a new leisure service provider from April 2023.
- To continue to implement a programme of activity to enhance the Council's IT infrastructure, cyber security, IT governance arrangements, policy framework and resilience.
- Continue to monitor and further enhance health and safety arrangements to ensure health and safety compliance across the organisation.
- A programme of work to reduce the backlog in repairs due to the impact of the Covid-19 pandemic and damage to properties caused by the recent storms.

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 at Appendix Three for reference.

3.6 2021/22 Audit Opinion

3.6.1 The Shared Internal Audit Service (SIAS) has assigned 'Reasonable' assurance for both financial systems and non-financial systems for 2021/22: meaning "there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

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 2021/22 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 will be monitored by Corporate Governance Group throughout the 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 2021 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**

5.1 **Financial Implications**

- 5.1.1 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.

5.2 **Legal Implications**

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

5.3 **Risk Implications**

- 5.3.1 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.
- 5.3.2 Without robust governance arrangements, there are potential service continuity and reputation risk implications.

5.4 **Equalities and Diversity Implications**

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

5.5 Other Corporate Implications

5.5.1 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.

6. 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

7. APPENDICES

- Appendix One – Local Code of Corporate Governance (June 2022)
- Appendix Two – 2021/22 Annual Governance Statement
- Appendix Three – Corporate Backbone

This page is intentionally left blank

**Stevenage Borough Council
Local Code of Corporate Governance**

Version:	Audit Committee June 2022
Status:	For Audit Committee June 2022
Last update to Guide	May 2022
Next review of Guide due:	May 2023

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
- Co-Operative Procurement Policy
- Anti-Bribery Policy
- Fraud Sanctions 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 three 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.

Social Value Portal

The Council uses a social value portal to monitor, measure and manage the tendering and delivery of social value through contracts and other business-related activities. The aim of this is to understand what value business brings to society, according to the principles of the Public Services (Social Value) Act 2012. The Social Value Portal uses the National Social Value Measurement Framework, also known as the National TOMs (Themes, Outcomes Measures), to measure social value. The National TOMS framework was developed by the National Social Value Taskforce and was the result of extensive consultation across its members and is endorsed by the Local Government Association.

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. Executive, Council and Overview and Scrutiny meetings continue to be recorded and are available via You Tube which means that members and the public can view meetings at a time convenient to them.

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 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 five 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.

Equality Impact Assessments

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.

EDI Policy

The council has an agreed set of objectives to promote equality, diversity and inclusion across its services, communities and workforce over the next 4 years (2022 –2026) and in-line with the Public Sector Equality Duty (PSED) of the Equality Act (2010).

Alongside the objectives the council has an Equality, Diversity and Inclusion (EDI) Strategy (2022-2026) which sets out its approach to advancing equality, diversity and inclusion, including a commitment to the development and publication of an EDI Action Plan. The delivery and monitoring of EDI activity is the responsibility of the Equality and Diversity Governance Group (EDGG), the newly established Officer Equality Group (OEG) and recently introduced Senior Leadership Team Equality Champion.

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

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

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. The Council continues to work co-operatively with housing customers to help shape these priorities and associated programmes.

Leader's Making Your Money Count Group

The Leader's Making Your Money Count 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. 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.

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.

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.

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:

- 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
- 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 well 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. Progress against service governance actions identified as a result of this review are monitored and reported back to Audit Committee.

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 **five** 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 well as an Anti-Bribery, Anti-Money Laundering and a Fraud Sanctions policies 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.

The Council has a Senior Information Risk Officer who is a senior officer with individual responsibility for managing departmental information risks.

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 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 where possible 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.

This page is intentionally left blank

Stevenage Borough Council's Annual Governance Statement 2021/22

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 8th June 2021 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting on 7th June 2022 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 any areas identified.

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.

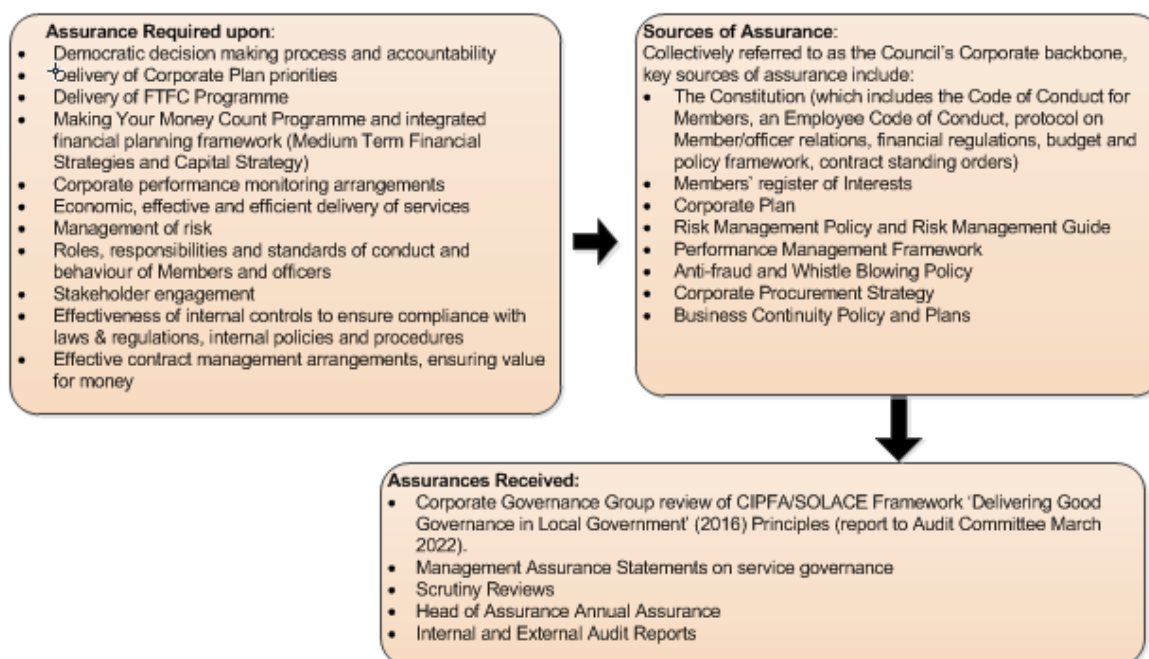
Governance monitoring and assurance arrangements

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 five.
- 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 2021/22 Annual Governance Statement. A summary of the types of assurance required, sources of assurance, assurance received is represented below.



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 2022 and up to the date of approval of the Statement of Accounts.

Assurance: Internal Audit Arrangements

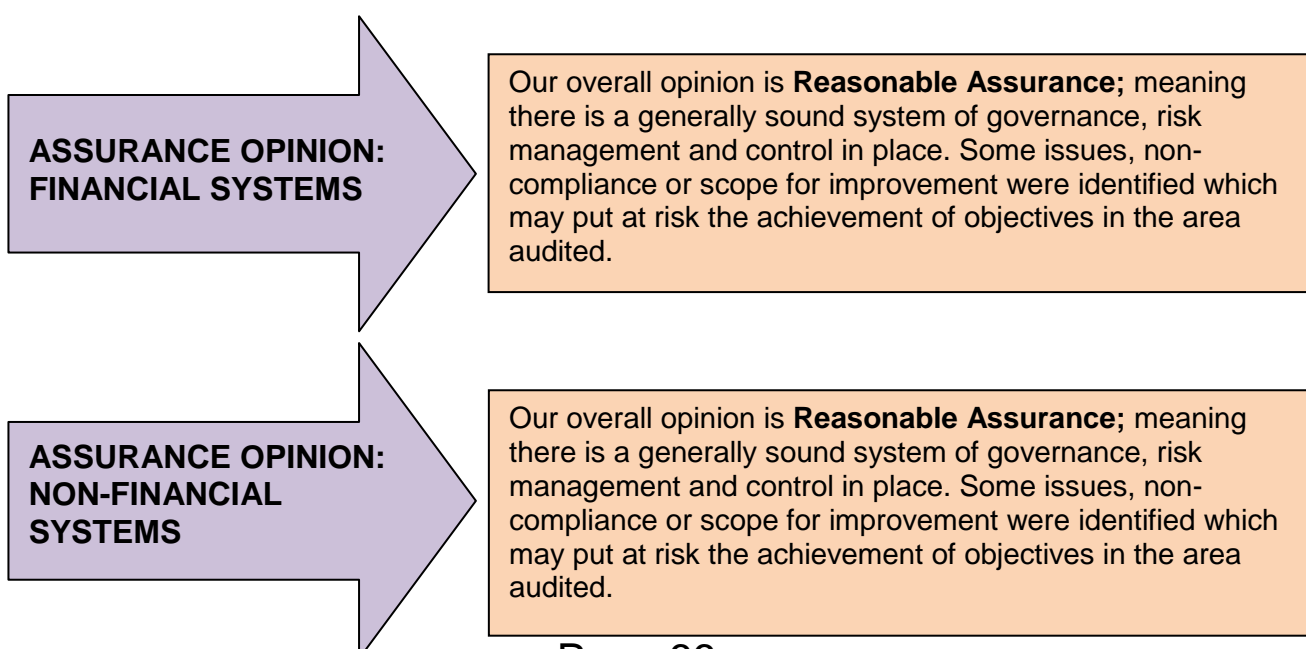
Annual Audit Coverage

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 Client Audit Manager. 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 Client Audit Manager 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 Client Audit Manager 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.

2021/22 Audit Report

The Client Audit Manager's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2022. From the internal audit work undertaken in 2021/22, 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:



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”.

As part of demonstrating the efficiency and effectiveness of the internal audit activity and identifying opportunities for improvement, the Head of SIAS 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 SIAS 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 2021/22, which concluded that SIAS ‘partially conforms’ to the PSIAS, including the Definition of Internal Auditing, the Code of Ethics and Standards. Key recommendations made in the peer review were addressed in year, permitting SIAS to ‘generally conform’ to the Standards. ‘Generally conforms’ is the highest opinion within the scale of three ratings, and the peer review also identified areas of good practice and high standards.

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.

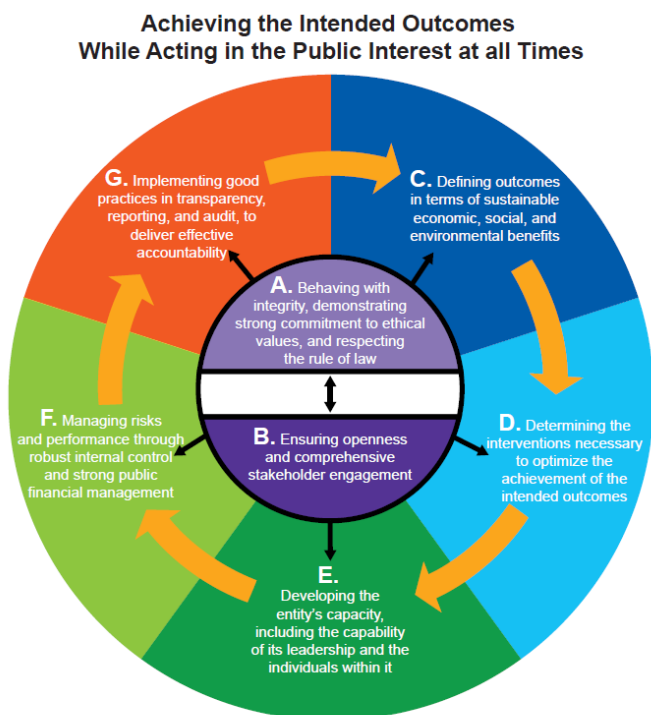
Area of Activity	Target	2018/19	2019/20	2020/21	2021/22
Planned Days - percentage of actual billable days against planned chargeable days completed	95%	99%	99%	98%	95%
Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	97%	100%	100%	93%

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 2022.

The CIPFA/SOLACE Core Principles of Governance

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 below 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 apply across all other principles (C – G)

A summary of the review of effectiveness of local arrangements in place for 2021/22 against each of the principles is set out on the following pages identifying opportunities for governance enhancements.

Progress against the delivery of actions identified in the 2020/21 Annual Governance Statement is reflected in the coloured 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 2021/22 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.

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, Anti-Money Laundering, Anti-Bribery and Fraud Sanctions policies. The Council's website and intranet have options for the public and staff to report suspected fraud that link to the Council's 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 2021/22:

- The Officer Code of Conduct has been reviewed and approved by Council.
- The tenure of the current Independent Member of Audit Committee was extended for a further year (from July 2022 to July 2023)
- The Council's Anti-Fraud and Corruption Strategy and Anti-Money Laundering Policy were reviewed and approved by Audit Committee and a new SBC Fraud Sanctions Policy was produced.
- The Council's Procurement Strategy was reviewed to create greater emphasis on community wealth building and, where possible, the local sourcing of goods and services. As a result of this review, a new Co-Operative Procurement Strategy 2021-2024 was produced and approved by Executive.

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 2021/22 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.

Cooperative Neighbourhoods

Through the development of the Cooperative Neighbourhoods programme in 2020, Stevenage Borough Council has formed partnerships between elected members, council officers, stakeholders and community groups to focus on the needs of the community. Six cooperative neighbourhood areas each have a dedicated team that concentrates specifically on the development and improvement of their area through community engagement and direct delivery. They are made up as follows:

- Bedwell and Pin Green
- Chells and Manor
- Longmeadow & Roebuck
- Old Town, Symonds Green and Woodfield
- Shephall and Bandle Hill
- St Nicholas and Martins Wood

Each team functions in the following ways:

- Connecting staff from different departments 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 by continuous engagement using a variety of opportunities including face to face, digital and email/telephone options.
- Supporting the activities of residents and communities who want to improve their neighbourhoods and create new opportunities for themselves

These teams also work together on the co-production of a variety of projects, initiatives and developments across the town. Focusing on community collaboration and engagement, community wealth building and supporting local community groups and organisations, the Cooperative Neighbourhoods programme ensures healthy community relationships across the town.

Shared Services

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.



Communication

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 are also used extensively to provide information to the public.

Throughout the COVID-19 pandemic, the Council has played an active role in promoting and signposting residents and businesses to the Government's package of guidance and support measures. A dedicated Coronavirus section is available on the Council's website which includes Frequently Asked Questions, Government advice, and information about

changes the Council has made to its services.

The following governance activity pertaining to best practice has been delivered in 2021/22:

- 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
- A Resident Survey has been carried out to survey how residents perceive Council services and their local area. The information gathered from residents will help to provide insight on their priorities for the town, the extent to which the Council is perceived to provide value for money and how well services are meeting residents' expectations.
- A STAR (Survey of Tenants and Residents) was also carried out. The STAR survey is used nationally by many housing providers to understand the thoughts, feelings and opinions of council tenants and for them to tell their landlords what is important to them.
- Consultation was carried out on the 'issues and options' stage of the development of an Area Action Plan for the Station Gateway regeneration project. An Area Action Plan (AAP) is a type of Development Plan Document, providing a planning framework for a specific area of opportunity, change or conservation. AAPs can create new policy over and above the Local Plan within the designated AAP area.
- A Climate Change Citizens Panel took place from 26th October to 29th October 2021. The panel consisted of 24 participants broadly representative of the town. The participants heard from five local experts on the science, policy and activism surrounding the climate emergency and then deliberated on what action they would like to see to help Stevenage reach its target of net zero by 2030.
- The council agreed the objectives that will promote equality, diversity and inclusion across its services, communities and workforce over the next 4 years (2022 –2026) and in-line with the Public Sector Equality Duty (PSED) of the Equality Act (2010). The council will work, together with its partners, to:
 - Understand the diverse needs of our communities and how to meet them effectively
 - Actively engage, encourage and support local people, groups and organisations to participate in local democracy to improve opportunity and inclusion
 - Promote equality, diversity and inclusion through our strategic partnerships, service delivery and supply chain(s)
 - Use local data to shape services so that the needs of our diverse population are met
 - Aim to improve the diversity of our organisation at all levels so that our communities are represented
 - Ensure staff have the values, skills and knowledge to maintain a positive and inclusive workplace culture that values all employees equally

Alongside the above objectives the council published an Equality, Diversity and Inclusion (EDI) Strategy (2022-2026) setting out its approach to advancing equality, diversity and inclusion, including a commitment to the development and publication of an EDI Action Plan that will be presented to the Executive for approval in autumn 2022. The delivery and monitoring of EDI activity will be the responsibility of the Equality and Diversity Governance Group (EDGG), the newly established Officer Equality Group (OEG) and recently introduced Senior Leadership Team Equality Champion. The outcome will be the publication of a progress report to the Executive on an annual basis.

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 2021/22 Review of Effectiveness:

The Council’s vision:

Stevenage: a prosperous town with vibrant communities and improved life chances

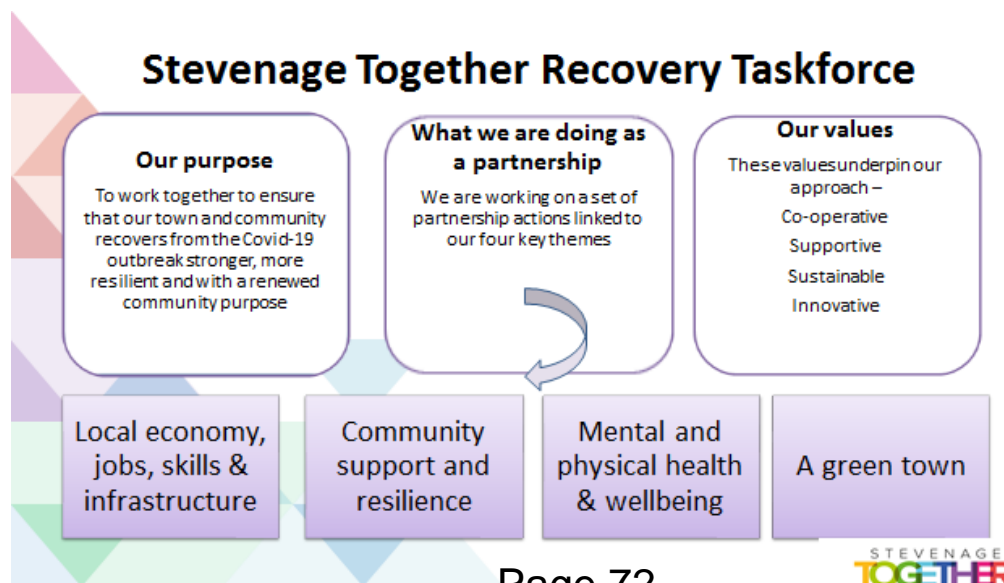
Working in partnership

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 and its partners have developed a high level partnership recovery action plan, based around the purpose, themes and values, as illustrated below.



Stevenage Development Board

The 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 is the Council's main strategic planning approach to create a better Stevenage and great service for its people. The FTFC programme guides the Council's focus and resource allocation as defined in our Corporate Plan. The FTFC programme was reviewed in 2021/22 and streamlined from nine programmes to five.

The five programmes are:

1. Transforming our Town

This programme is focusing on regenerating Stevenage with the help of partners in the development sector.

Projects include:

- SG1 development
- The Hub
- The Bus Interchange
- Multi-Story Car Park and Cycle Hub
- Public Realm work
- Meanwhile use
- Towns Fund

2. More Social and Affordable Homes

This is the Council's building homes programme to sell privately to fund much needed social housing.

Projects include:

- Kenilworth Close
- Symonds Green
- Shephall View and Brent Court
- Dunn Close
- The Oval
- Ellis Avenue

3. Co-Operative Neighbourhoods

Stevenage Borough Council is a co-operative Council and as a result works closely and collaboratively with local businesses, charities and influencers.

Projects include:

- Co-operative Neighbourhood Model



- Community Plans
- CCIN Policy Labs
- Volunteering
- Supporting and working with VCSE's
- Neighbourhood investments
- Equalities Commission
- Resident Survey
- Major Refurbishment Contracts and other Housing Investment projects

4. Making Your Money Count

This theme is about making and using the Council's money effectively:

Projects include:

- Financial efficiencies (Medium Term Financial Strategy, budget, savings delivery)
- Commercialisation
- Transformation

5. A Clean, Green, Safe and Thriving Town

Projects include:

- Clean and Green
- Biodiversity
- Climate Change
- Community Safety
- Culture
- Community Wealth Building
- Sustainable Transport (Future Town, Future Transport)
- Health

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 regularly reviewed and updated. Members approved financial resilience measures which have improved General Fund balances for this and future financial years.

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 Housing Revenue Account Business Plan is currently under 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. The outcome of this review will be reported to Executive in 2022.

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 allows 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 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.

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.

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.

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

General Fund Asset Management Strategy: The Locality Review Structure is now well established. All three tranches of land identified for disposal have now been agreed by Executive. A new Asset Management System is to be procured in 2022/23.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Making Your Money Count (MYMC): To ensure that the Council has sufficient financial resources to fund its medium and long term service plans and corporate priorities the following activity has been carried out: The Making Your Money Count General Fund savings target for 2022/23 was achieved and savings included in the 2022/23 General Fund budget including a review of fees and charges. A report to the June 2022 Executive will outline further options to increase the Council's financial resilience. The Capital Programme has been reviewed and adjusted for revised estimates of capital receipts and costs of capital schemes. The Housing Revenue Account Business Plan is being refreshed and is scheduled for consideration by Executive in summer 2022. The Transformation and Commercialisation programmes, which will help meet the MYMC savings target and provide an excellent customer experience, are both progressing. The Commercialisation programme is already bringing in additional income streams which will help the Council meet its financial security ambitions.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

In addition, the following governance activity pertaining to best practice has been delivered in 2021/22:

The Council's Future Town, Future Council programme was reviewed. The programme has now been streamlined and has five sections: Transforming our Town, More Social and Affordable Homes, Co-operative Neighbourhoods, Making your Money Count and a Clean, Green, Safe and Thriving Town.

Governance activity proposed for 2022/23:

A corporate peer challenge is planned. The peer challenge approach involves a team of experienced officers and members spending time with another council as 'peers' to provide challenge and share learning. Participating councils receive a comprehensive report and recommendations from the peer team and then identify their own action plan to respond. Peer challenges are an established tool that supports councils to drive improvements and efficiency.

A review and update of the Council's Co-operative Corporate Plan is also 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.

Principle D: Determining Interventions

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 2021/22 Review of Effectiveness:

Financial Governance Arrangements

The Making Your Money Count programme continues to enhance the financial resilience of the Council by ensuring resources are being used effectively and efficiently and through the development of 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 and 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 last 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 provides 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.

Staff receive training on the Council's performance management arrangements and how to input to the Council's performance system, InPhase

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

Housing Development Programme

The Housing development programme aims to increase the affordable and social housing provision in the town.

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. 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 sits 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 is 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 above mentioned regeneration programme, the Council has partnered with Mace to deliver a £350m scheme called SG1. SG1 is a 14.5 acre site in Stevenage town centre which includes a minimum of 1700 new homes, 60,000 sq 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. 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.

Another regeneration project is the Queensway North scheme. The scheme is a £50m upgrade to the former site of Marks & Spencer and adjoining buildings. The development will introduce new retail, residential and commercial facilities including a 24-hour gym and office space along with 94 new homes and flexible working facilities.

Like other schemes, Queensway North is based on 'mixed-use' principles and is designed to increase the number of people living and working in Stevenage Town Centre, thereby adding to the demand for services and businesses based here. Despite the challenges brought on by the Covid-19 pandemic, contractors from Henry Construction have made significant progress, with sectional completion occurring from end of June through to September 2021. A number of new commercial tenants have already invested in the premises including a new gym provider, a number of other retailers and a new restaurant.

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.

Another key regeneration project, Stevenage's new bus interchange on Lytton Way, was handed over to the Council at a completion and handover ceremony on Thursday 10 March 2022. The interchange will see buses arriving and exiting to serve the people of Stevenage from late spring 2022. This project was funded by a £9.6 million Local Growth Fund investment from the Hertfordshire LEP. The development will drastically improve transport links across the town, provide better accessibility and align with the newly-regenerated Town Centre.

After submitting a comprehensive bid and passing through a detailed government review, Stevenage Development Board was awarded £37.5 Million of government funding in March 2021. The funding had been sought as part of the government's Towns Fund initiative in which 100 UK towns were selected to apply for support to bring about major transformation. The funding will unleash over £600m of private investment in Stevenage.. Projects which have been submitted relate to a number of key areas including connectivity, arts and culture, regeneration and land use and skills and enterprise. The funding will be aimed at boosting the growth of business in Stevenage which have a national and international base. Heritage of the first New Town was also a key focus and this funding will now offer the chance to reflect on and reinterpret this for future generations.

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:

- 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 is being monitored by a working group which reports to a 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.

The project is delivering against the following five work streams:

- Hertfordshire Opportunities Portal
- Procurement
- Grants scheme
- Planning
- Evaluation and Feasibility

Social Value Portal

The Council uses a social value portal to monitor, measure and manage the tendering and delivery of social value through contracts and other business-related activities. The aim of this is to understand what value business brings to society, according to the principles of the Public Services (Social Value) Act 2012. The Social Value Portal uses the National Social Value Measurement Framework, also known as the National TOMs (Themes, Outcomes Measures), to measure social value. The National TOMS framework was developed by the National Social Value Taskforce and was the result of extensive consultation across its members and is endorsed by the Local Government Association.

Transformation Programme

In August 2021, the Executive agreed a Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity and organisational resilience, while achieving the savings required by the Council's Medium Term Financial Strategy. This programme forms a

significant element of the 'Making Your Money Count' FTFC Programme and will help the Council achieve its financial security targets.

The priority for implementation in 2022/23 is a first phase of improvements which will enable us to transact with customers more online, and improve the efficiency of processes in order to support savings in Customer Services. A Phase 2 will be proposed to Executive in the autumn focusing on our Service Delivery model across the Council. Additional work is being undertaken on Ways of Working including print reduction, including the closure of the print room.

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Regeneration: To ensure good governance of the Regeneration programme the following action has been carried out: A capital funding plan covering key regeneration projects is being developed by the Strategic Director (Finance) with support from Finance, Estates and Regeneration. This will identify and progress funding sources to ensure suitable capital funding is in place to deliver the projects, including the identification of land disposals and the ring-fencing of receipts.

The Housing Development and Regeneration Executive Committee continues to receive updates on key projects.

Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. In order to secure this funding, full business cases have been developed and approved by Executive for each of the nine projects that comprise the Stevenage Towns Fund programme.

Stevenage Development Board continues to have a vital role and has, together with other partners developed the above mentioned business cases. The Board includes a wide range of key stakeholders, who have endorsed the business cases and will play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport and Town Centre Regeneration. This has ensured the experience and expertise across a range of sectors was harnessed in the development of robust and deliverable business cases, for projects that will have a significant positive impact for the town.

To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel consisting of senior Stevenage Borough Council and partner officers (a Director, Section 151 Officer, Monitoring Officer, Hertfordshire LEP and HCC officers) was established to ensure business cases met government requirements before being recommended to the Development Board for approval.

Milestones were reviewed and some were adjusted as a result of the pandemic, 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.

Due to mitigations which have now been actioned, no significant governance actions have been identified for 2022/23.

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

COVID-19: In response to the COVID-19 crisis the following action has been carried out: The Council has had Covid-19 incident management arrangements in place, working with partners to address the ongoing impacts of the pandemic. Executive Members have received monthly epidemiology and COVID-19 briefings. A Hertfordshire outbreak management cell continues to meet to consider all current epidemiological data and COVID developments in Stevenage and across the county in order to ensure response plans are current and targeted action is taken aligned to the countywide Hertfordshire COVID-19 Outbreak Plan and in cooperation with partner agencies.

Ongoing work continues to review the Council's financial position and the impact the pandemic has had on this via regular monitoring and quarterly review. Business Continuity meetings have been held as required to consider arrangements for business continuity of council services, partnership support for health activities such as vaccination programmes and environmental health advice, communications and working with local communities

Several service areas continue to experience heightened demand or pressure, arising from the pandemic, from homelessness to void properties, and other community services, with plans in place to increase capacity for some key service areas. COVID-19 Recovery remains a key theme for Stevenage Together meetings. Discussions recently have included a presentation by Hertfordshire's Director of Public Health of what to expect regarding COVID-19 over the winter months, mental health presentation which included the impact of the pandemic and the refresh of the Healthy Stevenage Strategy.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Commercialism: To ensure that the Council's ambitious commercial agenda can be achieved, the following action has been taken: The Commercial and Investment Executive Working Group continue to meet on a quarterly basis. Its purpose is to advise and make recommendations to the Executive on the development of co-operative commercial and insourcing programmes of work.

A new advertising and sponsorship scheme has been launched. This new initiative will provide an advertising boost for local businesses following the lockdown and aims to generate income for the Council. The scheme brings together a Council-owned sponsorship portfolio which includes roundabouts, car parks, council owned buildings, events and parks.

The formalisation of a filming offer for Stevenage was recently agreed. The filming officer, linked to the Council's Cultural Strategy, will bring additional revenue into the Council and the wider borough. Charging has been implemented from 1st April 2022.

The Corporate Commercial Officer is involved in promoting the commercial agenda through researching income generation opportunities, improving processes, increasing efficiencies and pursuing insourcing opportunities.

A fully costed proposal for solar panels for the Multi- Storey car park at the railway station has been presented for consideration with a view to offsetting substation costs.

A commercial approach has been applied to 2022/23 fees and charges, including a new bulky waste charging proposal, moving closer to cost recovery in some service areas and all concessionary rates have had an initial review, with some changes made through 2022/23 fees and charges.

In the garages service, the move to 52 week charging is complete, lock changes are now carried out at full cost recovery and Voluntary and Community Organisation garage tenants have been moved to low demand areas.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Socio-Economic Impacts: As a result of the combined socio-economic impacts of welfare reform, the COVID-19 pandemic, and an economic downturn the following actions have been carried out: The Community Renewal Fund bid 'Community Wealth Building Together' which was submitted in collaboration with colleagues from other Districts and Boroughs was approved for delivery by DLUHC and the Hertfordshire Local Enterprise Partnership on 3rd November 2021.

The work to deliver the programme is now fully underway, with a programme manager now in post

The dissemination of the funding as part of the delegated grant scheme is underway, with a majority of funding being provided to all district and borough council s for them to distribute in their local area. Funding has also been provided to several business support organisations who will work county wide, adding capacity around business planning, resilience and sustainability among other things.

The Construction Industry Training Board initiative has been implemented and the Stevenage Works Funding agreement has been agreed.

A new Arrears Action Plan is being produced for the next two years taking into account the economic challenges ahead. Monthly review meetings are continuing.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Leisure Contract: The Council is continuing to work with its leisure contractor to ensure recovery of leisure services after the pandemic. Meetings between SBC Officers and SLL are taking place monthly. The Council's Executive, at its meeting on 9th June 2021, considered a report regarding a proposed work programme to enable the Council to determine the strategic delivery of its leisure and cultural offer post March 2023 when the current leisure contract ends. The Council is has commenced the procurement phase for the new leisure contract. Pre-qualifying questionnaires have been completed and invitations to bid have been issued for initial tender bids. The final bids will be received in September 2022.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Council Housing Building and Acquisition: To ensure the Council can deliver new council owned homes as programmed, the following actions have been carried out: All schemes have continued throughout the pandemic with minimal delays. Arrangements have been made to improve cash-flow which has enabled work to continue as planned.

Two potential new schemes have been identified. Both schemes have now been approved and are now fully funded. A Rough Sleeper Accommodation programme bid to Homes England and DLUHC to purchase properties to accommodate rough sleepers has also been submitted.

A set of key performance indicators have been developed and will need to be met to unlock funding.

Ongoing governance and review by the Housing Development and Regeneration Working Group continues. A review of the pipeline of future schemes for development will be carried out later this year once the HRA Business Plan has been revised.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

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

- Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity, and delivering savings to sustain services was approved and has commenced.
- The Community Safety Strategy 2021-2024 was approved by Council in July 2021. The new Strategy outlines the emerging priorities of the SoSafe partnership for the next three years.

Principle E: Leadership capacity and capability

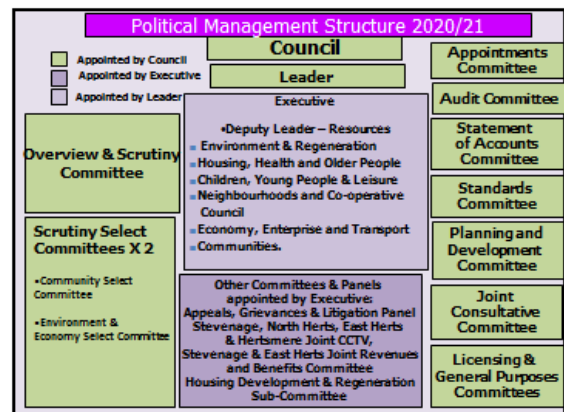
Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it. The appropriate structures and leadership, as well as people with the right skills and values, enable the Council to operate efficiently and effectively and achieve the best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

Summary of 2021/22 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 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 applied to local authority and police and crime panel meetings that were held up to 7th May 2021. The Council put in place arrangements for meetings to be held remotely in line with these new regulations from April 2020 to May 2021. Meetings after 7th May 2021 have been held in person again due to the cessation of the new regulations. Executive, Council and Overview and Scrutiny meetings continue to be recorded and are available via You Tube which means that members and the public can view meetings at a time convenient to them. This has the benefit of improving scrutiny and reaching a wider audience.

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 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

The following governance activity pertaining to best practice has also been delivered:

- Contract Management training was delivered through the EELGA and both events were well attended by Contract Managers.
- Inclusion and Diversity Survey carried out by Council staff.
- Updated Freedom of Information e-learning was delivered and completed by Council staff.

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

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.

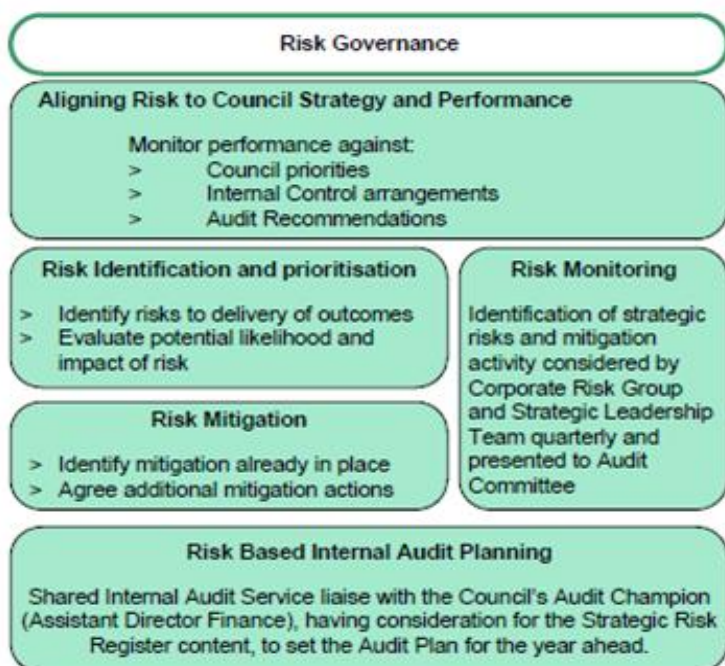
Summary of 2021/22 Review of Effectiveness:

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, Anti-Bribery and Fraud Sanctions policies.

Data Protection and Information Security responsibilities for staff, and processes for the management of both electronic and manual records are also available.

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.

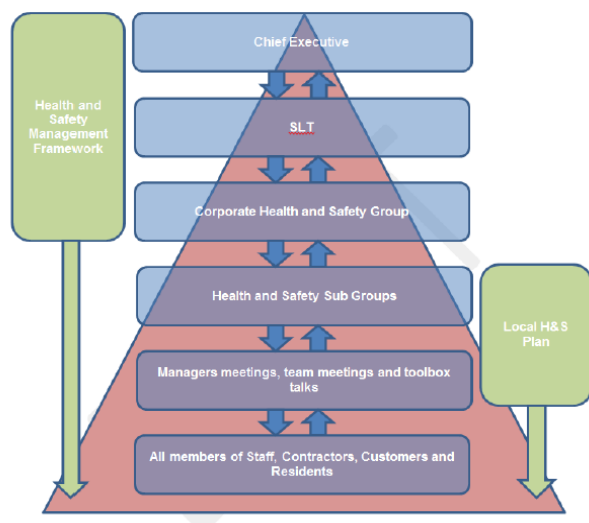
The Councils have established an Information Technology Steering Group (ITSG), which meets on a monthly basis and oversees the operation of the Shared IT Service. In addition, the Councils have established an ICT Partnership Board, which also meets on a monthly basis and is responsible for the strategic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

The IT 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

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, presented 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 were put in place to ensure that the government restrictions and guidelines were 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 co-ordinated the local emergency response within Stevenage.

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. 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 action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Cyber Security and IT Resilience: Old firewalls have been deleted and the new ACI, which has recently been installed as part of the network upgrade, is providing additional security. The Virtual Desktop Infrastructure (VDI) upgrade is now complete and the roll out of new VDI has commenced. This will improve the user experience and is an enabler for the roll out of Microsoft 365 and Windows 10. 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. As services migrate across to the new network, they will automatically benefit from the additional resilience provided by the microwave link.

Microsoft 365, which will support new ways of working, team collaboration and video-conferencing, is starting to be rolled out. Work is also continuing to upgrade the Council's servers. 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. An extensive cyber security awareness campaign for staff has been produced and is being rolled out.

As part of the DLUHC engagement with Councils, a Cyber Security Treatment report was created which identifies actions identified following a 'Mitigating, Malware and Ransomware; survey carried out by the National Cyber Security Centre. Work is being carried out to implement the recommendations contained in the Treatment Plan.

SOCITM have recently carried out a quality assurance review of the ICT Strategic Programme and Operation and the recommendations from this will be used to inform future ICT planning and delivery.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Corporate Health and Safety: 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.

The Health and Safety team have assisted to ensure that all Council buildings are COVID-19 Secure. New working arrangements for Daneshill House 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 which had been affected by the response to the pandemic resumed in April 2021 and are now on track.

In response to an audit recommendation arising from the Landlord Health and Safety audit, legionella risk assessments have been completed and a programme of works has commenced and is nearly complete.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Compliance of the Council's Non-Housing Property: To ensure compliance of the Council's non-housing property, the following action has been taken: The service has developed a clear pathway for the procurement of new compliance contracts and the procurement of facilities management software in 2022. These actions are key to modernising the service and improving efficiency in respect of planning, delivery and follow-up compliance work. The Facilities Helpdesk has improved capacity to administer the remedial log. A dedicated officer is now responsible for ensuring the appropriate remedial work is commissioned and completed on a consistent basis.

The compliance audit of all general fund assets is now complete and actions identified have been carried out. Tasks better suited to a larger project are now carried out by the Architect's Team. A strategic plan for implementation of the Corporate Landlord function has been produced and approved and is currently being implemented.

A Stevenage Borough Council Compliance Group has also been recently set up to oversee the Council's approach to compliance and will report to the Senior Leadership Team via Corporate Risk Group each quarter.

Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document

The following governance activity pertaining to best practice has also been delivered:

- A new Freedom of Information system was launched to enhance the management and processing of Freedom of Information requests.

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 2021/22 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 2021/22 the Shared Internal Audit Service assigned reasonable assurance for financial systems and 'reasonable' assurance to non-financial systems. Actions to enhance governance for the areas highlighted have been identified and prioritised.

Due to audit delays, at the time of writing, the Council's External Auditors, Ernst and Young, have not as yet provided their Annual Audit Letter for 2020/21, advising whether the Council's financial statements give a true and fair view of the financial position of the Council at 31 March 2021 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 2020/21 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 identified

Corporate Governance Calendar 2021/22


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 2021 – September 2021


Apr 2021

-  Internal Audit of Corporate Governance arrangements achieves 'Satisfactory' assurance for areas assessed
-  Internal Audit of Risk Management arrangements achieves 'Good' assurance for areas assessed
-  Corporate Governance Group reviews Principles D and E

May 2021

-  Annual Council agree the political management structure of the Council




June 2021

-  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 2020/21
-  Q4 Performance Report considered at Executive.
-  Q4 Strategic Risk Register reported to Audit Committee
-  SIA S Annual Assurance Statement and Annual Report 2020/21 reported to Audit Committee
-  2020/21 Annual Governance Statement & Local Code Agreed by Audit Committee





July 2021

-  Annual Scrutiny Report to Council
-  Community Safety Strategy 2021-24 approved by Council
-  Revised Employee Code of Conduct approved by Council

Aug 2021

-  The Transformation approach to improve customer experience, deliver increased productivity and ensure sustainability was agreed by Executive
-  The Q4 Revenue Monitoring report 2020/21 was reported to Executive
-  Executive received a report on the 2020/21 Capital expenditure out turn.
-  Corporate Governance Group reviews Principles D and E of the CIPFA/SOLACE Framework

Sep 2021






-  Executive consider Q1 Performance
-  Executive considered a report providing an update to the General Fund MTF S Strategy 2020/1/22-2025/26
-  Q1 Strategic Risk Register presented to Audit Committee
-  SAF S provides Audit Committee with an update on the 2020/21 Anti-Fraud Plan

Corporate Governance Calendar October 2021 – March 2022





Oct 2021

-  Council approves the **Annual Treasury Management Strategy Review 2020/21**
-  Council approved the creation of an **Officer Panel** to support the discharge of the Council's obligations as **Accountable Body** and to **approve business cases for the Town Fund bid**
-  Executive approved the **Co-Operative Procurement Strategy 2021-24**.
-  **Corporate Governance Group** reviews **Principles A and C** of the CIPFA/SOLACE Framework



Nov 2021

-  **Q2 Strategic Risk Register** presented to Audit Committee
-  Audit Committee consider the **six month progress review of AGS and Service Governance actions**
-  Executive considers **General Fund and HRA Q2 financial monitoring reports**
-  **Anti-Fraud and Corruption Strategy, Anti Money Laundering and Fraud Sanctions policies** adopted by Audit Committee
-  Audit Committee approve the **extension of the tenure of the current Independent Member of Audit Committee to July 2023**

Dec 2021

-  Executive considered the **Q2 Corporate Performance** report
-  **Q1 and Q2 Monitoring Report Capital (General Fund) 2020/21** noted by Council
-  Council approved that the Council opt into the **appointing arrangements** made by the PSAA for the appointment of external auditors for the period **April 2023 – March 2028**.
-  **Making Your Money Count** options approved by Executive

Jan 2022

-  Council approve the **Housing Revenue Account Final Budget Proposals, Rent Setting and Draft Council Tax Support Scheme 2022/23**
-  **Corporate Governance Group** carried out a **review of Principle B** of the CIPFA/SOLACE Framework

Feb 2022

-  Council approved the **2022/23 Council Tax, General Fund and Capital budgets, and the Annual Treasury Management Strategy including Prudential Code Indicators 2022/23**
-  Executive approved the **Leisure Management Contract procurement strategy**
-  Executive approved the **2021/22-2025/26 Capital Strategy** for onward recommendation by Council
-  Executive agreed a **"Filming Offer"** for Stevenage to generate additional income

Mar 2022

-  **Q3 Performance/Financial Monitoring reports** considered by Executive
-  **SIA S 2022/23 Audit Plan and SAFS 2022/23 Anti-Fraud Plan** agreed by Audit Committee
-  **Q3 Strategic Risk Register** considered at Audit committee
-  **Review of 2021/22 Governance Arrangements** presented to Audit Committee
-  **Members' Allowances Scheme 2022/23** approved at Council
-  **Pay Policy Statement for 2022/23** approved by Council

Planned Improvement Activity for 2022/23:

Significant internal control and governance issues identified as part of the 2021/22 review of the Governance Statement 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.

Action
<p>To implement the General Fund Asset Management Strategy and create a Corporate Landlord function, the following activity is planned:</p> <ul style="list-style-type: none">• Upload of asset management data onto property data management software to enhance the management of the Council's assets• Continue the review of the council's commercial portfolio• Recruitment of staff within the Estates Service• Governance structure to be put in place to deliver the Corporate Landlord function• Procurement and implementation of a new Facilities Management System to integrate operational compliance work within a single system• Procurement of compliance services, covering Fire, Gas/Water and Electrical contracts
<p>Making Your Money Count: To ensure that the Council has sufficient resources to fund its medium and long term service plans and corporate priorities the following activity is planned:</p> <ul style="list-style-type: none">• Complete the refresh of the Housing Revenue Account Business Plan• Carry out a review of the Council's reserves• Development of a Capital Funding Plan to identify and progress funding sources to ensure suitable capital funding is in place to deliver the Council's priorities• Report to Executive outlining further Making Your Money Count savings options to increase the Council's financial resilience
<p>Commercialisation: To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:</p> <ul style="list-style-type: none">• Continue the improvement programme in relation to garages, e.g. application of charges for garage freeholders, changes to termination periods, move to any day tenancies and transition to Choice Based Lettings.• Review of charging arrangements across the Council• Investigate further opportunities for grant funding• Creation of a Disability Resource Centre and hosting parcel lockers on Council land.• Review of the Council's skips offer• Continue the review of concessions and fees and charges for 2023/24.• Insourcing of day to day repairs and weed spraying• Consider measures to drive down debt across the organisation• Further develop the commercial culture in the Council through a combination of communications and learning and development opportunities.

Action

COVID-19: In response to the COVID-19 crisis and to ensure the Council can 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 to review the General Fund and HRA Medium Term Financial strategies in light of the financial pressures arising from the COVID-19 response
- Continue to implement the agreed town wide Recovery Plan

Council Housebuilding and Acquisitions Programme: To ensure the Council can deliver new council owned homes as programmed the following action is planned:

- Carry out viability assessments prior to lending being approved for the Wholly Owned Company to demonstrate they meet key targets as outlined in the Business Plan
- Explore grant funding opportunities with Housing Associations in the local area to secure nomination rights to properties
- Ongoing governance and review by the Housing Development and Regeneration Working Group
- Key Performance Indicators to be determined and monitored for the Wholly Owned Company regarding key financial performance indicators
- Identify future schemes for development

Socio-Economic Impacts: As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, and an economic downturn the following action is planned:

- Continue to be involved with Community Wealth Building and Social Value initiatives
- Contribute to the Planning and Procurement working groups which will be looking at community wealth building and social value in relation to all district and borough councils throughout Hertfordshire.
- COVID-19 recovery to remain a key theme for Stevenage Together
- Complete the review of the Arrears Action Plan

Stevenage Leisure Limited:

- Continue with regular meetings between SBC officers and Stevenage Leisure Limited
- Carry out the agreed work programme to enable the Council to determine the strategic delivery of its leisure and cultural offer post March 2023 when the current leisure contract ends
- Carry out the procurement process for a new leisure and cultural services contract

IT Resilience and Cyber Security: The Shared IT Service to continue to implement the IT Strategy and Action Plan to enhance IT infrastructure, cyber security, IT resilience by:

- Complete the replacement of all the Council's firewalls
- Migrate services over to the new IT network
- Complete the upgrade from Windows 7 to Windows 10
- Complete the roll out of VDI
- Roll out of Microsoft Office 365
- Review and update the ICT Disaster Recovery Plan.
- Carry out a Cyber Security awareness campaign and completion of e-learning by all staff and Members

Action
<ul style="list-style-type: none"> • Implementation and roll out of meta-compliance • Implement the recommendations made by the SOCITM quality assurance review of the ICT strategic programme and operation. • Implement the recommendations contained in the Cyber Treatment Plan
<p>Health and Safety: Continue to enhance and embed health and safety compliance and performance by:</p> <ul style="list-style-type: none"> • Continue the rolling programme of internal and external audits for medium and high risk services • Complete the implementation of health and safety enhancements for the Council's identified health and safety risks
<p>Repairs and Maintenance: To reduce the backlog in repairs due to the impact of the Covid-19 pandemic and the damage caused by the recent storms the following actions is planned:</p> <ul style="list-style-type: none"> • Estates and Garage Services to continue to work together to address repairs backlogs and new repairs works. This includes addressing resourcing/capacity challenges across both service areas. • Commencement of new materials supplier contract • Recruit to key vacant posts • Housing Asset Management Strategy to be reviewed to reflect responsive repairs

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 30-33.

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

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
 Co-Operative 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 and Social Value Portal

ICT User Policy
 HRA Business Plan
 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
 Fraud Sanctions 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

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank