



**ANNUAL GOVERNANCE STATEMENT  
2020/2021**

**FOR**

**HAMPSHIRE COUNTY COUNCIL**

**AND**

**HAMPSHIRE PENSION FUND**

# **Annual Governance Statement for Hampshire County Council and Hampshire Pension Fund**

## **1. Scope of Responsibility**

Hampshire County Council is responsible for ensuring that:

- its business is conducted in accordance with the law and to proper standards.
- public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.
- pursuant to the Local Government Act 1999 it secures continuous improvements in the way in which its functions are exercised, having regard to a combination of efficiency, effectiveness and economy.
- there is a sound system of internal control which facilitates the effective exercise of the County Council's functions and which include arrangements for the management of risk.

These responsibilities also extend to the administration of the Hampshire Pension Fund, which is undertaken by the Pension Fund Panel and Board. The combined Panel and Board is responsible for investment, management and governance of the Fund. This Statement explains how the County Council has complied with the Code and meets with the requirements of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an Annual Governance Statement during 20120-2021.

## **2. The purpose of Corporate Governance**

The governance framework comprises the systems and processes, and cultures and values, by which the County Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the County Council to monitor the achievements of the County Council's strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

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 risk to the achievement of the County Council's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Hampshire County Council for the year ending 31 March 2021 and up to the date of approval of the annual report and the statement of accounts.

The County Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE

Framework 'Delivering Good Governance in Local Government'. A copy of the Code is available on the County Council's Web site at:

[Code of Corporate Governance](#)

**3. Core Principles of good governance**

**3.1 Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- 3.1.1 The County Council's Constitution is founded on it operating in an open and transparent way, and for the Leader of the County Council and the Chief Executive to set the tone for the organisation by creating a climate and culture of openness, support, and respect.
- 3.1.2 The County Council is committed to the highest ethical standards and has adopted a governance framework to re-enforce this philosophy as well as procedures to investigate any issues should the need arise. The framework, policies and procedures are set out in the County Council's Code of Corporate Governance which was adopted by the County Council during 2016-17. The Code of Corporate Governance demonstrates a comprehensive commitment on the part of the County Council to integrity, ethical values and the rule of law.
- 3.1.3 Officers from Legal Services and Governance monitor new legislation with the assistance of on-line resources and provide an effective mechanism for tracking new legislation and ensuring that the County Council is taking appropriate steps to implement it.
- 3.1.4 Covid 19 Specific legislation has been reviewed by senior officers in Legal Services who have worked closely with Departments on the implementation of the relevant provisions.
- 3.1.5 An interim Decision-Making Protocol was prepared and agreed with Cabinet and the Corporate Management Team to facilitate urgent decision making in the initial phases of the response to Covid 19. The Protocol utilised the existing delegated authority of Chief Officers to take a wide range of decisions and ensured that relevant Members were fully sighted on and endorsed relevant decisions. The power for the County Council's Chief Financial Officer to make urgent financial decisions was also utilised with those decisions being reported to Cabinet as provided for in the Constitution.
- 3.1.6 The County Council further strengthened the arrangements governing work to advance inclusion and diversity across the Authority and its services, extending this to encompass wellbeing. In addition to a Steering Group, chaired by the Chief Executive, and an Operational Forum, bringing together Equalities Leads and Champions, several new groups have been established. These include a Group chaired by the Assistant Director – HR and OD to oversee the County Council's formal staff networks and a new Wellbeing Task Group, focused on driving forward work to improve employee wellbeing. In addition, Inclusion Sponsors have been identified within each department. These Senior Offices play an important role in strengthening the County Council's external facing inclusion work, ensuring

improvement actions are embedded within departments and empowering staff at all levels to contribute to this agenda.

- 3.1.7 A strategic work programme is in place which demonstrates how the County Council is delivering against its Equality Objectives. This is informed by staff feedback and the results of external assessment against the National Inclusion Standard, undertaken by Inclusive Employers. The County Council received *Bronze* award following its 2019 assessment, ranking top of the category and third overall. The work programme is reported against on a quarterly basis to the Steering Group, and bi-annually to the Corporate Management Team and Cabinet. This activity enables the County Council to meet, and go beyond, its statutory obligations under the Equalities Act.

## **3.2 Ensuring openness and comprehensive stakeholder engagement.**

- 3.2.1 The County Council's Corporate Strategy – the *Serving Hampshire* Strategic Plan - contains clear strategic aims which are communicated on the County Council's website and through various communications. The Plan provides an operating model for business planning and is informed by various departmental and partnership strategies and priorities. A revised Strategic Plan for the period 2021-2025 will be agreed by the new Administration, following the elections in May 2021.
- 3.2.2 Clear guidance and protocols on decision making, effective arrangements for the approval of exempt reports and easy to use templates for decision reports and records ensure that that the County Council takes decisions in public when appropriate and after a full consideration of relevant factors. Details of the framework relevant to decision making is set out in the Corporate Governance Framework.
- 3.2.3 Public consultation and engagement to inform decision making is undertaken in accordance with the County Council's Consultation Policy, which includes five principles of consultation setting out when and how the County Council will consult the public. Significant and statutory consultation is supported by the County Council's Insight and Engagement Unit, which operates within the Market Research Society's ethical Code of Conduct.
- 3.2.4 The results of all significant consultations are presented at the relevant decision-making forum to demonstrate how participants' views have been considered.
- 3.2.5 Consultation methodology is based on stakeholder analysis and equality impact assessment, undertaken at the outset of planning any engagement. This informs the best approach to reaching the target audience, including those who may be harder to engage. Alongside more traditional forms of engagement, such as surveys, the County Council employs creative tools and techniques where appropriate to engage different audiences. For example, Easy Read versions of surveys are now provided online as standard, as well as in hard copy. Digital platforms, such as Facebook Live, are also being used to engage younger audiences and those who may find it more difficult to attend focus groups in-person. A regular residents' survey- 'Hampshire Perspectives' – has also been established in 2020, supporting

the County Council's insight into residents' opinions to inform its COVID-19 Recovery Strategy. This tool will continue to be used post-pandemic.

- 3.2.6 The County Council also regularly undertakes organisation-wide staff surveys on priority topics (e.g. inclusion and diversity; health and wellbeing) as part of a broader programme of employee engagement through a wide range of platforms and channels. Furthermore, a new Staff Wellbeing 'Pulse' survey was established this year, supporting the County Council in its ongoing monitoring of staff health and wellbeing levels. This is underpinned by a new set of agreed principles for encouraging and undertaking staff engagement across departments, approved by the Corporate Management Team.
- 3.2.7 Each financial year, an annual report on the Pension Fund is prepared for the Fund's employers to consider at an Annual Employers Meeting to be held by 31 October in the next financial year. The report covers the Fund's accounts, investment arrangements and policy, investment performance, scheme changes and other issues of current interest.
- 3.2.8 The Investment Strategy Statement is published and made available to scheme employers within three months of any amendments.
- 3.2.9 Annual benefit statements are provided to contributors and deferred pensioners, together with an annual newsletter to pensioners.

### **3.3 Defining outcomes in terms of sustainable economic, social and environmental benefits.**

- 3.3.1 The strategic aims set out in the *Serving Hampshire* Strategic Plan include a description of the County Council's overarching ambitions for delivering positive economic, social and environmental outcomes for Hampshire. These aims are underpinned by a series of key priorities, which reflect, and are supported by, other detailed departmental plans and strategies. Progress against the strategic aims and priorities is tracked through quarterly performance updates to the County Council's Corporate Management Team and six monthly to Cabinet. Arrangements for reporting corporate performance are set out in the County Council's Corporate Performance Management Framework. All reports to decision making bodies must also demonstrate their link to the *Serving Hampshire* Strategic Plan, as well as the results of the relevant impact assessments.
- 3.3.2 The Strategic Plan is currently being revised and will be approved by the new Administration following the May 2021 election. This will be accompanied by a new Corporate Performance Management Framework, which is being reviewed to ensure it incorporates monitoring of the agreed Climate Change Strategy and the recommendations from the Hampshire 2050 Commission of Inquiry.

- 3.4 Determining the interventions necessary to optimise the achievement of the intended outcomes.**
- 3.4.1 Clear guidance and protocols for decision making and the involvement of legal and finance officers in all significant decisions of the County Council ensures that decisions are only made after relevant options have been weighed and associated risks assessed. Details of the guidance and protocols are set out in the Code of Corporate Governance.
- 3.4.2 The Deputy Chief Executive and Director of Corporate Resources advises the Pension Fund Panel and Board and its Responsible Investment sub-committee on all Pension Fund investment and administrative matters.
- 3.4.3 The Pension Fund's independent adviser advises the Panel and Board on investment matters.
- 3.4.4 The Pension Fund Panel and Board uses the Fund's actuary and other consultants as necessary, for advice on matters when in-house expertise is not available. The Panel and Board takes advice from the actuary, the Fund's investment managers or specialist consultants or advisers as required on allocating assets and investment return targets.
- 3.4.5 Equality Impact Assessments (EIAs) are used throughout the organisation to assess the impact of service proposals and to inform decision making. A review group comprising the Head of Legal, Head of Finance, Corporate Equalities Lead and Assistant Chief Executive undertake periodic cumulative EIAs to understand the overall impact of service proposals on groups with characteristics protected under the Equalities Act (2010).
- 3.4.6 The budget setting process is well established, and Departments prioritise budgets and spending in order to achieve intended outcomes. In recent years the budget setting process has inevitably focussed on the achievement of savings to offset the increased costs of pay and price inflation and growth in social care services, but this aims to be achieved whilst remaining true to the Council's strategic aims and objectives. This includes the consideration of the wider social value that the County Council can generate through its operations.
- 3.4.7 A medium-term financial strategy and three-year capital programme is updated each year together with relevant resource forecasts and takes full account of the changing regulatory, environmental, demographic and economic factors that impact on the financial environment in which the County Council operates. The absence of a multi-year financial assessment has made financial planning difficult, but the County Council continues to plan for the longer term in line with previous MTFS assumptions.
- 3.4.8 Risks associated with the achievement of intended outcomes are detailed in Risk Registers held at Corporate, Department and project level. These evaluate the effectiveness of existing control measures as well as identifying proposed mitigation. Corporate and departmental risk registers have been reviewed and updated. These risk registers are regularly reviewed by the Corporate Risk Management Board, with key risks being reported to CMT.

- 3.4.9 The Reading Hampshire Property Partnership Limited (RHPP) is a public to public partnership arrangement between Hampshire County Council (HCC) and Reading Borough Council (RBC) for the delivery of property related services. The RHPP was formally established as a limited company in April 2014 and is operated in accordance with the Companies Act 2006. Two named senior officers from each partner organisation are appointed to the roles of Directors of the RHPP and the Board of Directors meets formally twice a year. The RHPP accounts are filed with Companies House and appropriate insurance is held to cover risks. Within HCC, an update on the RHPP is provided to the Buildings Land and Procurement Panel on an annual basis.
- 3.4.10 The governance of *Connect2Hampshire* is underpinned by the LLP Members agreement, which sets out in detail the management arrangements for the joint venture through its Board and Executive Board. The membership of these boards includes the Deputy Chief Executive and Director of Corporate Resources as one of the two LLP Board Members, as well as a further Senior Officer of the County Council as a Member of the Executive Board. This enables the County Council's interests to be fully represented within the decision making of the LLP, as well as ensuring the successful performance of the LLP to meet the County Councils broader workforce objectives. The Boards responsibilities include agreement of the annual business plan, understanding the LLPs performance against this plan, and the management and oversight of potential emerging risks and issues. The expected levels of service performance are set out within a separate Joint Accountability Statement agreed between HCC and the LLP, with performance against defined Key Performance Indicators being reviewed on a quarterly basis through meetings held between Connect2Hampshire and Senior Officers of the County Council. Clear routes of escalation exist through to HCC's Corporate Management Team, should this be required.
- 3.4.11 Further details of the County Council's response to the Covid 19 Crisis are set out in a series of reports to Cabinet set out in the Schedule to this Statement.

### **3.5 Developing the County Council's capacity including the capability of its leadership and the individuals within it**

- 3.5.1 The relationship between Members and Officers is led by the Leader of the Council and the Chief Executive who have established a culture of mutual respect and co-operation. The role of the Chief Executive is set out in the County Council's Constitution and is well understood by the Members of the County Council. The Protocol for Member Officer Relations also provides clear guidance for both officers and Members on how to manage their relationships effectively.
- 3.5.2 The County Council has a well-established cross-party forum, the Member Development Group that supports and oversees the development of Members to support them in carrying out the responsibilities of their role. This is delivered informally, and via internal and external seminars and courses. The established monthly Briefing Programme continues to be well received and to ensure continuance during Covid-19, the programme has

been successfully delivered virtually via MS Teams. The programme has included annual corporate topics such as finance, treasury management and the County Council's workforce which has been supplemented by Covid-19 updates from the Chief Executive and Corporate Management Team. Development of e-learning modules for Members has progressed well in readiness for the Council's Member Induction Programme that will follow the Elections on 6 May 2021. These resources will also be available for new Members joining the County Council following a By-Election and as a refresher training resource.

- 3.5.3 Members of the Joint Pension Fund Panel and Board and officers in Corporate Services have opportunities to attend training courses and seminars on pension fund matters, when necessary and appropriate.
- 3.5.4 A training plan for members of the Joint Pension Fund Panel and Board has been prepared, and training logs for individual members are maintained.
- 3.5.5 The County Council regularly reviews the shape of its workforce against the needs of the service in the context of its capacity and capability requirements. This then informs a range of strategies, for example, recruitment, retention, operating models, ways of working and people development to provide effective leadership and deploy appropriate resources to meet the needs of services. In addition, each Department has a Workforce Strategy that aligns the strategic objectives of the services delivered with strategic workforce requirements.
- 3.5.6 This year the Annual Workforce Report was re-designed to provide a more in-depth understanding of our people in relation to the various stages of the 'employee life-cycle' (Attract, Resource, Onboard, Develop, Reward and Recognise, Progress and Perform, Retain and Exit). 2020/21 was also the first year that we produced an Interim Workforce Report at the mid-year point which in light of current events, focused predominantly on the impact of COVID-19 on our workforce.
- 3.5.7 The Council's Valuing Performance policy provides a framework for staff and managers to meet, discuss and set goals in line with service requirements, following which regular reviews of performance, learning and progress takes place. Staff continue to be held accountable for their own and their teams' performance and are encouraged to use the range of learning opportunities that are available across the Council.
- 3.5.8 The Council has a thorough management and leadership development program available both for existing leaders as well as those identified as 'high potential'. These leadership programs are underpinned by a leadership competency framework.
- 3.5.9 Despite a brief pause in delivering of our leadership programmes in the first lockdown, our programmes have otherwise been converted to the 'virtual classroom' so that learning could continue.
- 3.5.10 Organisational development is approached through a variety of means including through regular joint Corporate and Departmental Management discussions. Lessons learnt exercises are regular practiced where



necessary and appropriate and are undertaken through a 'system wide' perspective. On the back of engagement principles agreed in 2019/20 a further set of 'organisational' principles have been agreed towards the end of 2020/21 to support anticipated organisation design and development as a consequence of our experiences over the past 12 months.

- 3.5.11 There is an emphasis on the need for high performance and resilience, of which health and wellbeing and continuous development are critical elements in the regular discussions between managers and staff particularly during the period of extended home working for many staff groups. This has been further supported by the development of a broad suite of well-being resources that have been made available to all staff and well-being has been regular part of CMT and emergency planning meetings such as GOLD, SILVER and BRONZE.
- 3.5.12 To further support our understanding of our workforce's experiences during these unprecedented times, two formal staff surveys were deployed, one in June and the second in October. These focused on the needs of staff both in practical terms and in terms of physical and mental health and wellbeing. It was as a consequence of these surveys that we were able to respond with the issuing of equipment for staff working from home and to develop the wellbeing resources available to staff based on the needs emerging from the surveys.
- 3.5.13 Further to this a monthly wellbeing pulse survey has been deployed over the second half of 2020/21 to ensure that we can monitor how are staff are feeling and consider support as might be necessary.
- 3.5.14 The Wellbeing Task Group, chaired by the Director of Public Health and Assistant Director of HR and Workforce Development, with actions embedded within the overarching strategic Inclusion, Diversity and Wellbeing work program have continued to lead in this space alongside representatives from all Departments.
- 3.5.15 The County Council recognises the importance of its staff networks to supporting the inclusion and diversity of its workforce and during the course of 2020/21 the number of staff networks rose from three to four with the introduction of a Carers and Working Parents Network. All formal networks continue to have action plans in place, which align with and support the strategic Inclusion, Diversity and Wellbeing work programme. Of specific note during 2020/21 is the work undertaken in support of our BAME staff as a consequence of the global 'black lives matter' movement. As a consequence we have enabled conversations across the organisation entitled 'lets talk race' in order to support individual and organisational learning and development.

The Corporate Management Team have also commissioned a review of the Inclusion and Diversity Strategy and Action Plan, both of which are on-going.

- 3.5.16 Inclusion and Diversity activity is now overseen by the Assistant Director HR +OD.

### **3.6 Managing risks and performance through robust internal control and strong public financial management.**

- 3.6.1 The County Council's Corporate Strategy is underpinned by the Corporate Performance Management Framework, which establishes how the quality of services for users is to be measured and reviewed on a regular basis. This includes quarterly reporting of progress against the *Serving Hampshire* Strategic Plan. The County Council's Annual Performance Report is published on the County Council's website and includes a summary of key areas of performance, including an analysis of any major performance risks and mitigations, as well as providing an overview of sources of external validation and customer feedback. The Corporate Performance Management Framework is currently being revised, and will be published alongside the new Strategic Plan, following the May 2021 election.
- 3.6.2 The County Council has in place a revised Risk Management Strategy, with oversight of arrangements provided by the Risk Management Board and regular reporting of the Corporate Strategic Risk Register to CMT. The Audit Committee is responsible for considering the effect of the County Council's risk management arrangements and reviewing the Corporate Risk register.
- 3.6.3 A comprehensive Information Governance Framework is in place, overseen by the Data Protection Officer, with further oversight by the Risk Management Board, chaired by the Senior Information Risk Officer.
- 3.6.4 The County Council regularly monitors its IT systems in the context of cyber security and in recognition of the ever-changing risks in this area, additional investment has been agreed to strengthen and improve our cyber security arrangements going forward.
- 3.6.5 The Audit Plan 2020-21 was developed to operate at a strategic level providing a value adding, and proportionate, level of assurance aligned to the County Council's key risks and objectives, this includes a periodic review of the County Council's risk management processes.
- 3.6.6 The audit plan remains fluid to ensure internal audit's ability to react to the changing needs of the County Council.
- 3.6.7 The internal audit plan incorporates provision for both proactive and reactive counter fraud and corruption work, which is underpinned by an embedded Anti-Fraud & Corruption Strategy and Policy and Anti Bribery Act Policy.
- 3.6.8 The delivery of the internal audit plan enables the Chief Internal Auditor to provide an annual report providing an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control which is reported to Senior Management and the Audit Committee.
- 3.6.9 The County Council's Audit Committee is well established and reports to Full Council. Members of the Audit Committee have no executive responsibility for the management of the organisation, thus ensuring that they are sufficiently independent to scrutinise and challenge matters brought to their

attention.

- 3.6.10 The Audit Committee has a clear 'Terms of Reference' providing an effective source of scrutiny, challenge and assurance regarding the arrangements for managing risk and maintaining an effective control environment.
- 3.6.11 The County Council has a well-developed and effective scrutiny function, the structure of which is formalised through the County Council's Constitution. A pre-scrutiny approach enables Members to be engaged early in the process to ensure they can robustly challenge the Council's decision-making, to participate in policy review and development, and monitor the performance of the County Council as a whole. Given the events of the last 12 months, the Policy and Resources Overview and Select Committee has considered the financial impact of Covid-19 on the Council and economic recovery measures. The scrutiny function is supported by experienced officers in Democratic and Member Services.
- 3.6.12 The County Council has strong financial management arrangements at both the strategic and operational level and consistently obtains unqualified opinions for its annual accounts and value for money assessment. The Section 151 Officer is a member of the Corporate Management team and all formal financial decision making has the benefit of the advice and review of the Chief Financial Officer or her representative.
- 3.6.13 Key financial regulations and financial strategies form an important part of the Corporate Governance Framework together with effective risk based financial and performance reporting.
- 3.6.14 Financial management in key risk areas across the County Council focusses on activity and performance management alongside the budget management processes and the financial management framework throughout all tiers of the organisation is appropriately advised and supported by the Finance Department, with a particular focus on the change management programmes that have been a feature of Departmental activity for many years. A framework for the roles and responsibilities of budget holders and their interaction with the Finance Department has been rolled out across non-social care departments and are proving effective in improving the financial accountability and expectations of budget managers. This programme will continue over the next year within the social care departments.
- 3.6.15 Following the outbreak of Covid-19, the County Council has been closely monitoring all aspects of the financial impact of the crisis. Weekly monitoring reports to the Corporate Management Team / Gold Command Group were produced initially and concentrated on the impacts in 5 main areas :
- Direct response costs
  - Market underwriting
  - Increased demand directly from Covid-19
  - Losses of funding sources or income
  - Other issues including impact on savings programmes

3.6.16 This reporting developed as the pandemic progressed and settled into appropriate reporting through to the Corporate Management Team and on to Cabinet at regular intervals mainly to coincide with the monthly reporting to MHCLG.

3.6.17 This monthly reporting has been vital to ensure that Government understands the full financial consequences of the crisis both now and moving forward and has been key in attracting significant funding from the Government to support the costs of the pandemic. Financial resilience within the County Council has remained strong, and a plan is in place to meet the medium term costs and losses of Covid-19 without impacting on the wider financial strategy, albeit the County Council will continue to press the Government to underwrite the full financial consequences of the crisis.

### **3.7 Implementing good practices in transparency reporting and audit to deliver effective accountability.**

3.7.1 The report writing guide, protocols and templates referred to in the Code of Corporate Governance and the involvement of senior departmental officers, legal officers and finance officers ensures that public reports are written in a clear and accessible way with sufficient information to enable members of the public to formulate informed opinions on the matters for decision.

3.7.2 The Corporate Performance Management Framework provides a transparent cycle of reporting on core performance metrics to the Corporate Management Team and Cabinet. Performance information is published online and is easily accessible to staff, partners and the public.

3.7.3 The 'Internal Audit Charter' is presented annually for approval by the Audit Committee. The Charter makes provision that 'Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and, in particular, those who serve on committees charged with governance (i.e. the Audit Committee).'

3.7.4 The on-going work of internal audit is presented through a quarterly progress report to Audit Committee providing an overview of service performance; delivery against the plan; and progress made by the organisation in the implementation of management actions agreed to mitigate risks identified through internal audit work.

3.7.5 Representatives of External Audit routinely attend Audit Committee meetings and present all External Audit reports. Any recommendations for corrective action detailed within External Audit reports are highlighted to Members who will track through to implementation. This is achieved through the clear and concise nature of the minutes to each meeting couple with the inclusion of any overdue recommendations within the internal audit progress report.

3.7.6 The internal audit plan includes provision to review the County Council's approach to governance, risk and controls for partnership working. Such reviews are formally reported through the Audit Committee with any significant issues highlighted accordingly.

3.7.7 Where appropriate internal audit will gain assurances from third parties to contribute to their overall assurance opinion.

3.7.8 Financial reporting complies with relevant statute, codes and good practice guidance and financial and performance information are reported consistently throughout the year alongside each other. Where relevant and appropriate performance comparisons are made to other organisations.

#### **4 Obtain assurances on the effectiveness of key controls**

4.1 Appropriate assurance statements are received from designated internal and external assurance providers.

4.2 Key controls relating to risks, internal control (including financial management), and governance processes are identified by managers as part of the governance framework and recorded on regular returns. These are consolidated into the risk registers at corporate and departmental level. Internal Audit, as part of its planned review of internal controls regularly evaluates the key controls to determine their adequacy and carries out tests to confirm the level of compliance. Together the results of each review enable an audit opinion on effectiveness to be provided to management, and any actions for improvement to be agreed.

4.3 This assurance is given to each manager in respect of the controls they are responsible for in the form of an audit report and regular summaries are provided for Chief Officers and the Audit Committee to ensure each level of the County Council's management is kept informed of findings and opinions.

4.4 External sources of assurance include the annual opinion and value for money conclusion by external auditors, and statutory inspections of adults' social care services, and children's services. These reports are subject to consideration by senior management and Members of the County Council, and appropriate response to any recommendations for improvements are agreed. These reports and responses are normally approved in public and published.

4.5 External sources of validation are being increasingly used to inform assessment of the organisation's performance as a core part of the Corporate Performance Framework.

#### **5 Evaluate assurances and identify gaps in control/assurance**

5.1 The County Council has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify weaknesses in controls.

5.2 The County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the officers within the County Council who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

- 5.3 The Head of Law and Governance and the Chief Internal Auditor have evaluated the reports from the internal and external assurance providers which have also been reported to the Audit Committee. This Annual Governance Statement sets out the County Council's arrangements for receiving reports and identifying weaknesses in Internal control.
- 5.4 One of the key elements of the Corporate Governance regime and the production of the Annual Governance Statement is the methodology applied to obtain the necessary assurance. This has included:
- a self-assessment assurance statement being completed every year by all Chief Officers giving assurance about the governance arrangements in their Departments.
  - consultation with other relevant officers throughout the County Council.
- 5.5 In line with the Internal Audit Charter approved by the Audit Committee in July 2020 and which is available on the County Council's website, the key elements of the Corporate Governance framework are risk assessed and reviewed periodically by Internal Audit.
- 5.6 The assurance statements cover a range of Corporate Governance and performance issues and they refer to the existence, knowledge and application within departments of governance policies generally.
- 5.7 The Internal Audit Team's work forms the basis of a report to the relevant Chief Officer or Key Corporate Manager for any follow up work necessary, and feeds into this Annual Governance Statement.
- 5.8 Departmental Corporate Governance assurance statements were sent out to Departments in early 2020.

## **6 Action plan to address weaknesses and ensure continuous improvement of the system of corporate governance.**

- 6.1 Whilst no specific weaknesses have been identified, additional investment in the County Council's cyber security arrangements will be implemented during 2021.
- 6.2 Further work will be undertaken to consolidate the considerable improvements made to the County Councils Risk Management Framework.
- 6.3 The County Council will publish a new Strategic Plan, setting out its strategic priorities for the period 2021-2025. Alongside this, the current Performance Management Framework will be reviewed and updated.
- 6.4 The County Council will attain assurance of the effectiveness of the governance framework and embeddedness of processes following the agreement of the 2020-22 Risk Management Strategy.
- 6.5 A two-phase corporate approach to Contract Management training has been identified. This is designed for non-professional Contract Managers as a prerequisite to acquiring contract management responsibilities, in order to

ensure consistency of approach. In the first phase an online training module will be launched to provide Managers with an overview of the fundamentals of managing contracts and outline their responsibilities. The second phase an assurance framework and checklist will be developed in to help departments to understand if their contracts are being managed effectively and thereby delivering their intended outcomes. The combination of these two phases will ensure that there is effective, compliant and proactive management of contracts within Departments.

- 6.6 As part of the Care Director implementation Programme, and Care Director Data Management Strategy specifically, work will continue to improve the quality of data in AIS. This includes encouraging practitioners to take every opportunity to improve data quality during interactions with the client. Each client interaction provides an opportunity to ensure key details, such as name, address, DOB, are in place. This is being monitored via the Practice Network led by the Principal Social Worker and managed through the Care Director Programme.

Again, as part of the Care Director project, work is underway to develop new, agreed processes to ensure that data within the new system will be kept 'clean'. This work is ongoing and overseen through project governance.

CareDirector is due to go Live July 2022.

Records Management will continue to own the maintenance of records and performance is monitored through agreed KPIs.

- 7 There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored.**

**In response to the Action Plan identified in the 2019/20 Annual Governance Statement: -**

- 7.1 A comprehensive review of the County Council's Risk Management Strategy and processes was undertaken, with the production of renewed Risk registers at departmental and Corporate levels, the approval of a new risk Management Strategy, supported by a suite of supporting documents and a robust monitoring and reporting framework.
- 7.2 The EIA guidance has been updated and a new tool is currently being developed following the approval of the Inclusion, Diversity and Wellbeing Steering Group. The new tool will be implemented in May 2021.
- 7.3 The inclusion survey was not undertaken due to COVID-19, however two separate surveys in relation to supporting staff through COVID-19 were deployed and analysis considered from a variety of demographics. In addition to this monthly pulse surveys are also being undertaken and the Inclusion Survey has been delivered in May 2021. .

- 7.4 The improvements to the County Council's insurance arrangements in the review undertaken in 2018/19 were implemented. The actuarial review of the County Council's self-insurance fund was deferred from 2020 and has now been scheduled for the summer 2021 and expanded to include a Risk Finance Optimisation evaluation.
- 7.5 Completeness and timeliness of recording on the Adults Health and Care Client information System remained a key focus of the department throughout 20/21. There have been ongoing team communications reinforcing the message via a number of channels including the Operational Managers meetings. The department now has access to mobile offline forms and has fully embedded the use of mobile field devices, all staff now have devices and remote working has become even more critical during the COVID19 pandemic. The Social Care Practice Manual offline version still remains a technical challenge however SharePoint and Office365 is well embedded in the department.
- 7.6 Amendments were agreed to Standing Orders in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 to facilitate remote decision making. Meeting of all Council decision making bodies including the Full Council, Cabinet, scrutiny committees and non-executive committees all took place successfully in accordance with the Regulations.
- 7.7 The County Council Anti-Fraud & Corruption Strategy and related documents were reviews and approved by the Audit Committee and responsibility for the policy was assigned to Finance.



## Declaration

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are set out in this Statement.

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:

Signed:

Chief Executive

Leader of the Council

Date:

Date:

## Schedule-Covid 19 Update Reports

[Report to Cabinet 16 March 2021](#)

[Report to Cabinet 9 February 2021](#)

[Report to Cabinet 24 November 2020](#)

[Report to Cabinet 29 September 2020](#)

[Report to Cabinet 14 July 2020](#)

[Report to Cabinet 15 May 2020](#)

