

Public Document Pack

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7 January 2022

Regulation, Audit and Accounts Committee

A meeting of the Committee will be held at **10.30 am on Monday, 17 January 2022** at **County Hall, Chichester, PO19 1RQ.**

Note: In response to the continuing public health measures, there will be limited public access to the meeting. Admission is by ticket only, bookable in advance via: democratic.services@westsussex.gov.uk

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Agenda

1. Declarations of Interest

Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such as an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.

2. Minutes of the last meeting of the Committee (Pages 3 - 8)

The Committee is asked to agree the minutes of the meeting held on 8 November 2021 (cream paper).

3. Urgent Matters

Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances.

4. External Audit

The Committee to receive a verbal External Audit Progress Update for 2020/21 and 2021/22 from the External Auditor Ernst & Young (EY).

No background papers. Contact Adam Chisnall, 033022 28314

5. **Internal Audit Progress Report** (Pages 9 - 26)

Report by the Director of Finance and Support Services, and the Head of Southern Internal Audit Partnership.

The Committee is asked to note the Internal Audit Progress report.

6. **Internal Audit Quarter Four Plan** (Pages 27 - 42)

Report by the Director of Finance and Support Services, and the Head of Southern Internal Audit Partnership.

The Committee is asked to consider the recommendations within the report.

7. **Treasury Management Compliance Report - Third Quarter 2021/22**
(Pages 43 - 50)

Report by the Director of Finance and Support Services.

The Committee is asked to note the report.

8. **Quarterly Review of Corporate Risk Management** (Pages 51 - 62)

Report by the Director of Finance and Support Services.

The Committee is asked to review the information detailed in the report and provide comment as necessary.

9. **Annual Governance Statement Action Plan 2020/21 Update** (Pages 63 - 74)

Report by the Director of Law and Assurance.

The Committee is asked to note the Action Plan update.

10. **Date of Next Meeting**

The next meeting of the Committee will be held at 10.30am on 14 March 2022 at County Hall, Chichester.

To all members of the Regulation, Audit and Accounts Committee

Regulation, Audit and Accounts Committee

8 November 2021 – At a meeting of the Regulation, Audit and Accounts Committee held at 10.30 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr N Dennis (Chairman)

Cllr Boram, Cllr Greenway, Cllr Montyn, Cllr Wall and Mr Parfitt

Also in attendance: Cllr Hunt

Part I

23. Declarations of Interest

23.1 Cllr Greenway declared a personal interest as a deferred member of the Local Government Pension Scheme.

24. Minutes of the last meeting of the Committee

24.1 Resolved – That the minutes of the meeting of the Committee held on 22 September 2021 be approved as a correct record and that they be signed by the Chairman.

25. Final Version of the Statement of Accounts 2020/21

25.1 The Committee noted the minor amendment that had been made to the final version Statement of Accounts 2020/21 since they had agreed the accounts at the September meeting.

26. External Audit

26.1 The Committee considered the Final Audit Results Report from the External Auditors EY, and also a draft copy of the 2020/21 Auditor's Annual Report (copies appended to the signed minutes).

26.2 Mrs Thompson (EY) introduced the Final Audit Results report and reported that an unqualified opinion had been issued and that there were no value for money issues to report. Property Plant and Equipment and Pension Liability work had been previously outstanding, but these areas were now satisfactorily complete. The final certificate had not been issued due to the outstanding delay in the release of the data collection tool for whole of government accounts. It was hoped that the information would be issued in December to allow the relevant assurance work to be completed.

26.3 Mr Mathers (EY) gave an update on the areas that had been considered since the September meeting. There had been a change in valuation techniques used by the County Council which EY had looked into. EY were satisfied that the change in approach to valuations were a reflection of the valuer's techniques and confirmed that an external valuer had concluded that assets had been recorded correctly. EY had commented that the Horsham Enterprise Park should have a more granular approach taken for its valuation for increased accuracy. On the

Pensions Liability, it was confirmed that EY had tested the actuary's model work and were satisfied that it was correct.

26.4 The Committee made comments including those that follow.

- Queried when the Horsham Enterprise Park would be revalued and if the value was impacted by the market. – Mr Mathers explained that the valuation would be done annually and that a new figure would be expected in the next statement. Mr Hunt explained that work was still ongoing for the park and that negotiations were taking place. It was recognised that the value of the park would change as the usage was developed.
- Sought clarity on the £7.8m adjustment for pension liability. – Mr Mathers confirmed that the asset values had increased in the audited accounts and that the original figure was based on estimated asset data.
- Noted the change in valuer and the techniques used, and asked if this made it difficult to monitor valuation changes. – Mr Mathers explained that EY were satisfied with the approach taken, but had asked for a disclosure to be included in the statements to add an explanation. The technique change occurred in instances where a school's rebuild value was considered differently. The previous valuer would value the cost to rebuild the school the same, whereas the new valuer would use a value to build a new school based on anticipated pupil numbers.
- Queried if the Department of Education looked into the County Council's figures. – Ms Eberhart, Director of Finance and Support Services, confirmed there was no requirement for this.

26.5 Mrs Thompson introduced the draft copy of the 2020/21 Auditor's Annual Report and explained that a new format had been used. There were no significant risks or additional value for money work identified. Information on fees would be added to the final version.

26.6 Mr Mathers commented that the two previous years had a qualified value for money conclusion due to the Fire and Children Services inspections. The Auditor's Annual Report would add commentary that reflected the positive steps for governance in these areas in response to the inspections. Compensation payments had been looked into as they were felt material due to public interest. EY were content that they were lawful and that all processes had been followed and disclosed. There were areas that could be improved, but it was reflected that Covid-19 would have had a negative impact. The Teachers Pension Scheme had been looked into and the Council had disclosed the contingent liability and EY recommended that issues needed to be captured in a timely manner. The recommended areas for improvements had been accepted by officers.

26.7 The Committee made comments including those that follow.

- Queried the going concern considerations and if the quality of County Council services had been considered. – Mrs Thompson explained that a going concern opinion had been added to the Financial Statements, but explained that consideration of the quality of services was not within EY's remit.

- Asked if contingent liabilities should be included within the Corporate Risk Register. – Mrs Thompson said this was for officers to consider, but personally felt that this was something that did not need to be included within the Corporate Risk Register. Ms Eberhart confirmed that the work on Teacher Pensions was a complex piece of work that was still in progress. The final impact would be reflected within the balance sheet.
- Queried how other local authorities were handling Teacher pensions. – Ms Eberhart reported that the County Council were more progressed than other authorities.
- Sought clarity on impacts to fees. – Mr Mathers explained that some impact was due to areas such as travel costs. It was noted that there had been a minimal Covid-19 impact, but this had led to other areas being considered which would previously not have been.
- Noted the section for financial sustainability in the value for money commentary and proposed that full council approval should be added. – Mrs Thompson agreed to add this.
- Asked if the revenue usage dialogue could be quantified. – Ms Eberhart confirmed that officers had looked into the outturn report and that this reserve included grants and the previous A27 reserve and was therefore a moving number. Mrs Thompson agreed to add wording to the section to improve clarity.

26.8 Resolved – That the Committee notes the West Sussex County Council 2020/21 Final Audit Results Report and the Draft 2020/21 Auditor's Annual Report.

27. Internal Audit - Overdue Medium & Low Priority Management Actions (October 2021)

27.1 The Committee considered a report by the Director of Finance and Support Services, and the Head of Southern Internal Audit Partnership (copy appended to the signed minutes).

27.2 Mr Pitman, Head of Southern Internal Audit Partnership, introduced the report and explained that the report was included following a request made at the September Committee meeting. The report added the requested detail for medium and low priority actions and Mr Pitman confirmed that progress continued to be made in the areas.

27.3 The Committee made comments including those that follow.

- Sought clarity on the Trade Union Consultation on Organisational Change which was due in 2008. – Mr Pitman did not believe the issue had been discussed since then, but confirmed there had not been another formal revision since.
- Requested that where due dates were revised they should include the details for previous dates.

27.4 Resolved – That the Committee notes the status of overdue medium and low priority management actions.

28. Quarterly Review of Corporate Risk Management

28.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

28.2 Mr Pake, Corporate Risk and Business Planning Manager, introduced the report and confirmed that CR69 for Children's services had reduced to 15 and that there was no longer a requirement to work from home and so CR71 had been removed.

28.3 The Committee made comments including those that follow.

- Queried where the mental wellbeing element of CR71 had moved to. – Mr Pake confirmed this was now covered within risks CR11 and CR50.
- The Chairman of the Health and Adult Social Care Scrutiny Committee (HASC) noted the pressures for CR68 and confirmed that the Scrutiny Committee was aware of the issues.
- Queried what mechanisms were in place to monitor progress and ensure that improvements did not create issues elsewhere. – Ms Eberhart acknowledged that the scope of CR68 covered a large area, but confirmed that HASC were looking into it.
- Noted that some areas of the Register did not have dates for actions. – Mr Pake confirmed that efforts were made to add dates where possible. Some issues were long term and where dates were removed dialogue was added to explain works.
- Queried if the take up of the Risk Management Lunch 'n' Learn sessions was measured. – Mr Pake confirmed the Learning and Development team monitored all courses.
- Queried the risk progress for Adult and Children Service areas. – Ms Eberhart explained that this was within the remit of the scrutiny committees. The Committee agreed to write to the Scrutiny Chairmen to seek reassurance that they considered the risks within their remits and raised concerns appropriately.

28.4 Resolved – That the Committee notes the information detailed in the report and the current Corporate Risk Register.

29. Arrangements for appointment of an External Auditor

29.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

29.2 Mrs Chuter, Financial Reporting Manager, introduced the report and informed the Committee that the appointment of the external auditor was a five year cycle and the report outlined the options for the next term, with an officer recommendation to opt-in to a Sector Led Body appointment.

29.3 The Committee queried if there were any local authority options for a joint procurement. – Ms Eberhart confirmed that there had been no County level discussion and that most had proposed to stay with current arrangements due to the gains of being under the Public Sector Audit Appointments Limited (PSAA) arrangement

29.4 Resolved – That the Committee recommend to County Council the acceptance of the invitation from the Public Sector Audit Appointments Limited (PSAA) to continue to be an opt-in authority for the purposes of the appointment of an external auditor for both West Sussex County Council and West Sussex Pension Fund, for the period 1 April 2023 to 31 March 2028, under the provision of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

30. Treasury Management Compliance Report - Second Quarter 2021/22

30.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

30.2 Mrs Chuter introduced the report and informed the Committee that there had been no new external borrowing and there had been no policy breaches within the quarter.

30.3 The Committee thanked officers for including maximum investment levels for a number of exposure limits, as requested at a previous meeting.

30.4 Resolved – That the report be noted.

31. Date of Next Meeting

31.1 The Committee noted that its next scheduled meeting would be held at 10.30 am on 17 January 2022 at County Hall, Chichester.

The meeting ended at 11.30 am

Chairman

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**Key decision: Not applicable
Unrestricted**

Regulation Audit & Accounts Committee

17 January 2022

Internal Audit Progress Report (December 2021)

Report by Director of Finance & Support Services /Head of Southern Internal Audit Partnership

Electoral division(s): Not applicable

Summary

The purpose of this paper is to provide the Regulation Audit and Accounts Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

Recommendations

(1) That the Internal Audit Progress Report (December 2021) as attached be noted.

Proposal

1 Background and context

1.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

1.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Regulation, Audit & Accounts Committee, summarising:

- The status of 'live' internal audit reports (outstanding management actions)
- an update on progress against the annual audit plan:
- a summary of internal audit performance, planning and resourcing issues; and

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- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

1.3 Appendix A summarises the activities of internal audit for the period up to December 2021.

2 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Services not addressing key management actions arising from the audit findings	Follow up will be undertaken to ensure that agreed actions have been implemented. A report detailing the status of high priority management actions will be presented to each meeting of this Committee for monitoring to ensure that key risks are addressed on a timely basis

Katharine Eberhart

Director of Finance and Support Services

Contact Officer: Neil Pitman, Head of Southern Internal Audit Partnership,

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Appendices

Appendix A – Internal Audit Progress Report (December 2021)

Background papers

None

Internal Audit Progress Report (December 2021)

West Sussex County Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body 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.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The County Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the County Council that these arrangements are in place and operating effectively.

The County Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

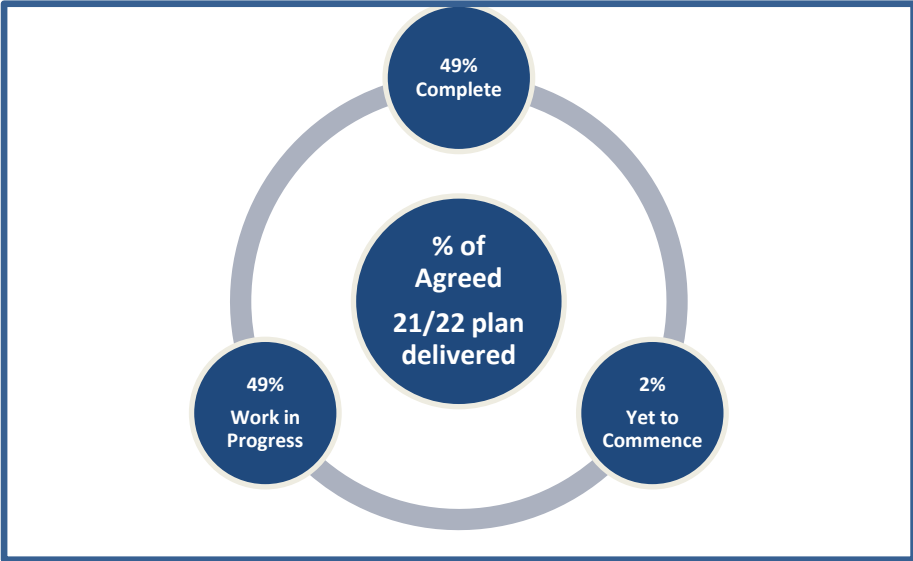
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable / Adequate	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 is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
E-Income	Jun 2019	DFSS	Adequate	1	0	0	0	1		
Companies House – NFI (Proactive Fraud)	Sep 2020	DL&A	Limited	9	0	0	6		3	
Special Educational Needs	Oct 2020	EDCYP&L	Limited	7	0	0	6		1	
Employers Contributions / Relationships	Dec 2020	DFSS	Reasonable	8	0	0	7		1	
School Traded Services	Mar 2021	EDCYP&L	Reasonable	7	0	0	3		1	3
Risk Management	Mar 2021	DFSS	Reasonable	10	0	1	7	2		
S75 Governance	Apr 2021	JSDC	Limited	12	0	1	7		1	3
Debt Recovery	Apr 2021	DFSS	Reasonable	4	0	0	3	1		
Management of Restructures	May 2021	DHR&OD	Limited	7	0	0	6		1	
Children's Services P-Cards	Jun 2021	EDCYP&L	Limited	17	0	0	4		6	7
Cyber Security (Risk Treatment)	Jul 2021	DFSS	Reasonable	3	0	2	1			
Cloud Service Provisioning	Jun 2021	DFSS	Reasonable	5	0	2	1		2	
Payroll	Sep 2021	DHR&OD	Reasonable	5	0	3	0	2		
Home to School Transport	Nov 21	EDPS	Reasonable	7	0	3	2		2	
Annual Governance Statement	Nov 21	DL&A	Reasonable	8	0	8	0			
WSFRS Fleet Management	Nov 21	CFO	Reasonable	3	0	3	0			
Special Schools Funding Thematic	Nov 21	EDCYP&L	Reasonable	4	0	4	0			
Budgetary Control	Nov 21	DFSS	Reasonable	4	0	4	0			
People Framework	Nov 21	HR&OD	Reasonable	4	0	3	1			
Total								6	18	13
Overdue Management Actions - Direction of travel since September 2021 progress report								+2	-	+10

Audit Sponsor

Chief Executive

Chief Fire Officer (CFO)
Director of Human Resources and Organisational Development (HR&OD)
Director of Law and Assurance (DL&A)
Director of Finance and Support Services (DFSS)

Executive Director, Adults & Health

Director of Public Health (DPH)
Joint Strategic Director of Commissioning (JSDC)

Executive Director Place Services

Director of Highways and Transport (DH&T)
Director of Environment and Public Protection (DE&PP)
Director of Property and Assets (DP&A)
Director of Communities (DC)

Executive Director of Children, Young People and Learning

Director of Education and Skills (DE&S)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There has been one report published concluding in a “no” assurance opinion, since our last progress report, relating to a review of residents’ accounts within Hammonds Residential Care Home.

It is usual practice for service management to attend the Regulation Audit & Accounts Committee to support discussions in the event of ‘limited’ or ‘no’ assurance audit reviews, however, due to the significant impact of omicron on management and staffing capacity and the ability to deliver services within the Adults and Health directorate, it has been agreed with the Chairman of the Regulation Audit & Accounts Committee to defer this item to the March 2022 meeting to enable service management to attend.

Assurances from the Executive Director of Adults & Health (DASS) have confirmed his oversight of the actions being taken to address issues raised within the audit review which are being prioritised and addressed through their management team and ELT.

6. Planning & Resourcing

Due to the continued challenges and uncertainties presented by COVID-19 initial internal audit planning for 2021-22 focused on activity during the quarter 1 which was approved by the County Council’s Executive Leadership Team and the Regulation, Audit & Accounts Committee in March 2021.

It was agreed that to ensure internal audit focus remained timely and relevant to the changing needs and requirements of the organisation that SIAP would continue to liaise with key stakeholders over the remainder of the year to develop ongoing quarterly plans.

The rolling work programme (section 7 below) outlines audit activity during Q1, Q2 and Q3. The proposed Q4 plan is detailed for agreement by the Regulation, Audit & Accounts Committee as a separate agenda item and will be incorporated into the rolling work programme following formal approval.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020/21								
Dual Use Agreements	P&A	✓	✓	✓	Dec 21	Dec 21	n/a	Position Statement
Central Government Grants	Corporate	✓	✓	✓	Oct 21	Nov 21	Reasonable	
Procurement (sub £100k)	DFSS	✓	✓	✓	Jun 21			
Cyber Security (Risk Treatment)	DFSS	✓	✓	✓	Jun 21	Jul 21	Reasonable	
Cloud Service Provisioning	DFSS	✓	✓	✓	Jun 21	Jun 21	Reasonable	
School Thematic Review(s)	EDCYP&L	✓	✓	✓	Jun 21	Nov 21	Reasonable	
2021/22								
Ash Dieback	DHT&P	✓	✓	✓				
Our Council Plan (Reset) - Performance	CE/DF&SS	✓	✓	✓	Sep 21	Oct 21	Reasonable	
Think Family claims	EDCYP&L	✓	n/a	n/a	n/a	n/a	n/a	
Firewatch	CFO	✓	✓	✓	Aug 21			
Home to School Transport	EDPS	✓	✓	✓	Sep 21	Nov 21	Reasonable	
Highways Maintenance – Contract Management	EDPS	✓	✓	✓	Jul 21	Aug 21	Reasonable	
School Thematic – HT Pay	EDCYP&L	✓	✓	✓				
SFVS	EDCYP&L	✓	n/a	n/a	n/a	n/a	n/a	
Hammonds (Residential Care Home)	EDA&H	✓	✓	✓	Sep 21	Nov 21	No	
People Framework	HR&OD	✓	✓	✓	Aug 21	Nov 21	Reasonable	
SmartCore (Oracle Fusion)	DF&SS	✓	✓	✓				
Annual Governance Statement		✓	✓	✓	Nov 21	Nov 21	Reasonable	
Payroll	DF&SS	✓	✓	✓	Jul 21	Sep 21	Reasonable	
Mortuary Services Contract Management	EDPS	✓	✓	✓	Oct 21	Nov 21	Reasonable	
IT Transition Programme	DF&SS	✓	✓	✓	Jul 21	Aug 21	n/a	
IT Assurance Mapping	DF&SS	✓	✓	✓				
Adults Income	EDA&H	✓	✓	✓				
AMHPS	EDA&H	✓	✓	✓				
WSFRS Risk and Business Continuity	CFO	✓	✓					Testing delayed - HMICFRS
Financial Resilience	DF&SS	✓	✓	✓				

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Health & Safety	DHR&OD	✓	✓	✓				
Capital Project Delivery (Education)	EDCYP&L / EDPS	✓	✓	✓				
Accounts Receivable	DF&SS	✓	✓	✓				
Budgetary Control	DF&SS	✓	✓	✓	Sep 21	Nov 21	Reasonable	
WSFRS Operational Training Delivery	CFO	✓	✓	✓	Nov 21			
WSFRS Fleet Management	CFO	✓	✓	✓	Oct 21	Nov 21	Reasonable	
WSFRS Working Time Directive		✓	✓	✓				
IR35	DHR&OD	✓	✓	✓	Aug 21			
Parkside Service Charge Review		✓	✓	✓	n/a	Sep 21	n/a	
Emergency Planning, Business Continuity, Service Resilience	CFO	✓	✓					
Information Governance - GDPR	DL&A	✓						
Assurance Mapping–Children’s Services	EDCYP&L							
Equality Impact Assessments	DHT&P	✓						
Climate Change Strategy	DE&PP	✓	✓					
Payments to Providers	EDAH	✓	✓					
Assurance Mapping-Adult Services	EDAH	✓						
Savings Realisation	DF&SS	✓	✓	✓				
Vaccination (Preparedness)	DHR&OD / EDAH	✓	✓	✓	n/a	Nov 21	n/a	Position Statement
School Thematic – Summer School Funding	EHCYP&L	✓	✓					
Grants								
Highways Maintenance Block Grant	DHTP							Complete
HIV PrEP	PH							Complete
Additional Home to school transport	DHTP							Complete
Bus Services Operator Grant	DHTP							Complete

Annexe 1

8. Overdue 'High Priority' Management Actions

School Traded Services - Reasonable

Observation: Strategy

There is no agreed strategy in place on how to grow School Traded Services income and reach the £500,000 income target within 3 years.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Project timeline to be established identifying tasks /steps required to prepare for the withdrawal of DSG funding from April 2022	31.10.21	30.09.22	The Government is in consultation with all LA's regarding the brokerage grant which funds school effectiveness. The consultation is looking at changing statutory responsibilities of LA's. It is not yet clear from Government whether all the grant will be withdrawn or a proportion. Until the consultation is complete, and the amounts involved known the project timeline cannot be developed.
Strategy to be formed & communicated	30.07.21	30.09.22	A questionnaire is due to be issued to all stakeholders to help understand their requirements which have changed in part due to the pandemic. The results alongside clarification of funding will help inform the development of the new strategy.

Observation: Pipeline Report
We observed that there is a pipeline report in place which plans when products / school services will go through the scrutiny process via the QA Board. Whilst plans include all Education & Skills school services, it does not include all school services delivered throughout the wider Council.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Consider next steps following the LGA review outcomes.	31.05.21	30.09.22	The LGA review is being considered as part of the restructure and will influence the strategic direction of the service. The service is concentrating on the educational offers first but will continue to offer other services from the wider council which can be included via the QA board process. The intention is to communicate to the wider council the position regarding traded services and to encourage their buy in to it.

S75 Governance - Limited

Observation: Agreement of Budgets
The Section 75 Agreement requires annual agreement between the Parties on which budgets are pooled and which are non-pooled including which party is responsible for holding the funds. The pooled/non pooled budget has not been formally agreed for 2020/21 due to the exceptional circumstances of COVID 19, however, it is noted that the 2019/20 budget was not formally approved until 28 February 2020.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
2021-22 final budgets to be updated in the S.75 schedules by means of variation once these are confirmed.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Observation: Budget Monitoring Reports

The Section 75 Agreement requires designated Pooled/Non-Pooled Fund Service Budget Managers to report details of their expenditure against contributions to a nominated officer in the Council in accordance with an agreed timetable and format. The nominated officer has responsibility for preparing a summary report to be shared with all Parties and used as a basis for reporting to the JCSG and the CCG Boards and WSCC Cabinet Members. No timetable has been agreed for 2020/21 due to exceptional circumstances, although it is understood that a timetable has been agreed in previous years. Following changes in the balance of non-pooled fund services, summary reports are prepared by the Senior Finance Manager at West Sussex CCG rather than a nominated officer of WSCC. Only the forecast outturn position is reported whereas the agreement refers to expenditure against contributions. Summary reports are taken to the Finance Sub-Group but not to JCSG.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
A joint commissioning annual budget setting process to be incorporated into the JCSG annual work plan.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Observation: Variations

There were no deeds of variation for changes to contributions for pooled/non pooled services or for the inclusion of the current year's budgets when extending the Agreement.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
As part of the 21/22 extension process, a deed of variation to be undertaken to update the confirmed budget schedules to be included, once final budgets are confirmed. Future variations to be included in the JCSG forward planner.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Observation: Analysis in line with MOSAIC
The P-card process does not allow for analysis of spend against MOSAIC client reference numbers, meaning there is no feasible way to align P-card spend with delivery of care to specific families or individuals.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
All card holders and reviewers to receive guidance to improving descriptions on P-Card transactions following format as per corporate policy.	30.07.21	31.01.22	A Rapid Response Working Group was established in response to the audit of p-card compliance in Children, Young People and Learning (CYPL). The groups objectives have been developed into project workstreams which will cover the original proposed actions. The design phase includes developing guidance and training to cover the whole process, and this is in progress and due to complete end of January

Observation: Review of active P-cards
An exercise was undertaken where managers within Children’s Services were sent a list of P-card holders and asked to identify any which were no longer required. This resulted in a list of 203 P-cards being identified for cancellation. However, the exercise to close these P-cards has not yet been completed. Further to this, other control options such as cancelling P-cards where value and volume of spend has been minimal over a prolonged period have not been explored.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
All to be reviewed again (project should be owned by one individual and overseen by a member of DLT).	30.07.21	28.02.22	A review of all current p-card holders was undertaken and any cards identified as held by people no longer authorised were cancelled. The ‘go live’ action introduces the new framework and also includes notifying new card holders, new approvers and any cancellations.

Observation: Application Process

Although Children's Services staff are complying with the corporate P-card application process, there is no control in place within Children's Services to ensure, business need or relevance of authorising manager to card holder.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
DLT to agree protocol for approval of P-card applications.	30.07.21	31.01.22	The design phase of the action plan developed by the Rapid Response Working Group involves developing the framework, guidance and scheme of delegation and will cover the application process.
DLT to agree a process for exceptions including a 'scheme of delegation' type approach, who sits above the budget holder should remain responsible for signing off new applications.	30.07.21	31.01.22	As above
Clear definition of the circumstances when a p-card should be issued.	30.07.21	31.01.22	As above

Observation: Receipts, review, and approval

Since April 2020, P-card holders have been required to scan and upload receipts in support of P-card transactions, with managers expected to review uploaded receipts as part of their authorisation process. P-card transactions must also be reviewed by the card holder ahead of being authorised by the manager on a monthly basis. Compliance is monitored by a team within Corporate Finance who send e-mail reminders to officers and managers who are not complying, with instances of non-compliance tracked in the monthly P-Card Report.

However, no-one within Children's Services is on the distribution list for the monthly P-Card Report, and there is no assigned responsibility within Children's Services to monitor and address instances of non-compliance (such as re-training or suspension of P-cards) or to act as a point of contact for Corporate Finance staff to escalate persistent non-compliance with.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Spot checks will be made on a sample of monthly spends to track spends back to the customer. Including contacting the customer to verify purchase and receipt of goods.	30.07.21	31.03.22	A cohort of p-card holder will be monitored / reported on from the go live date to track progress in movement to the new framework.
Resource within children's commissioning to be identified / established to complete the above action and analyse report data to identify instances of non-compliance, which would be escalated to Service Leads as appropriate to be addressed	30.07.21	31.03.22	As above

Annexe 2

9. Overdue 'Low & Medium Priority' Management Actions (December 2021)

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
E-Income	June 2019	Adequate	1		31.12.19	31.03.22
Companies House – NFI (Proactive Fraud)	Sep 2020	Limited		1	30.11.20	TBC
				1	30.11.20	TBC
				1	30.11.20	TBC
Special Educational Needs	Oct 2020	Limited		1	31.12.20	31.01.22
Employers Contributions / Relationships	Dec 2020	Reasonable		1	31.03.21	31.01.22
School Traded Services	Mar 2021	Reasonable		1	30.06.21	30.09.22
Risk Management	Mar 2021	Reasonable	1		31.08.21	21.03.22
			1		31.08.21	31.03.22
S75 Governance	Apr 2021	Limited		1	30.06.21	31.03.22
Debt Recovery	Apr 2021	Reasonable	1		30.05.21	28.01.22
Management of Restructures	May 2021	Limited		1	31.07.21	TBC
P-Cards (Children's Services)				1	30.07.21	30.04.22
				1	30.09.21	31.03.22
				1	30.09.21	31.03.22
				1	30.07.21	31.03.22
				1	30.07.21	31.01.22
				1	30.07.21	31.01.22
Cloud Servers				1	01.10.21	31.12.21
				1	01.10.21	31.12.21
Payroll			1		30.11.21	TBC
			1		30.11.21	TBC
Home to School Transport				1	30.11.21	TBC
				1	30.11.21	01.01.22
Total			6	18		

**Key decision: Not applicable
Unrestricted**

Regulation Audit & Accounts Committee

17 January 2022

Internal Audit Plan 2021/22 (Q4)

Report by Director of Finance & Support Services /Head of Southern Internal Audit Partnership

Electoral division(s): Not applicable

Summary

The purpose of this paper is to provide the Regulation Audit & Accounts Committee with an overview of the Internal Audit Plan 2021 – 2022 (Q4) (Appendix A).

Recommendations

- (1) That the Committee approve the Internal Audit Plan 2021-22 (Q4) as attached

Proposal

1 Background and context

- 1.1 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:
 - The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the County Council's objectives are identified, assessed and managed to a defined acceptable level.
- 1.2 The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements. Internal audit focus should remain proportionate and appropriately aligned to key areas of organisational risk.
- 1.3 Due to the continued challenges and uncertainties presented by COVID-19 an initial plan focused on first three quarters of the year (April – December 2021) and was approved by the Regulation, Audit & Accounts Committee in March and September 2021. The Q4 plan (Appendix 1) builds on this to outline internal audit focus relevant to the final quarter of the year.

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- 1.4 All auditable areas of review remain within the audit universe and are subject to ongoing assessment. The audit plan will remain fluid to ensure internal audits ability to react to the changing needs of the County Council.
- 1.5 Other reviews, based on criteria other than risk, may also be built into the work plan. These may include 'mandatory' audits or reviews requested or commissioned by management. Any commissioned review must be able to clearly demonstrate a contribution to the audit opinion on risk management, control and governance

2 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Internal Audit Plan not delivered inhibiting the production of an annual opinion in accordance with the Accounts & Audit Regulations 2015 and accompanying guidance (PSIAS)	The proposed Internal Audit Plan is approved by ELT and RAAC. A regular progress report is presented to ELT and RAAC to monitor progress against the plan. As detailed within the Internal Audit Charter the CIA will notify ELT and RAAC if in their opinion they are in any way inhibited in carrying out assurance work.

Katharine Eberhart

Director of Finance and Support Services

Contact Officer: Neil Pitman, Head of Southern Internal Audit Partnership,

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Appendices

Appendix A – Internal Audit Plan 2021/22 (Q4)

Background papers

None

Internal Audit Plan

2021-22 (Q4)

West Sussex County Council



Southern Internal Audit Partnership

Assurance through excellence
and innovation

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Appendix A

Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Executive Directors, Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Karen Shaw, Deputy Head of Partnership; and Keith Phillips, Bev Davies, Iona Bond and James Short, Audit Managers.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of these principles contained within the International Professional Practice Framework (IPPF); the Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).*

*There are **no instances** across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

In the development of the Our Council Plan, West Sussex County Council have recognised it needs to operate in a different context to that prior to the COVID-19 pandemic and have responded by building a new model of priorities for the next four years and beyond.

Our Council Plan acts as a framework for the Council to operate in a way that means they are clear on what they want to achieve and what they will do to achieve their priorities, but we are flexible to respond to whatever comes our way.



This plan sets out where the Council will focus its efforts over the next four years. It is set out and organised around four priorities with an underpinning theme of climate change.

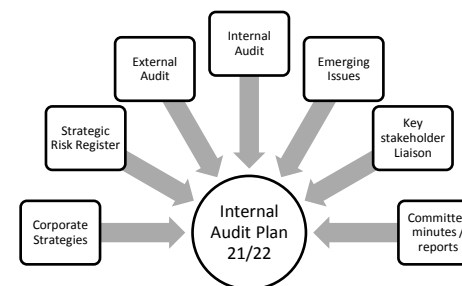
- **Keeping people safe from vulnerable situations**
- **A sustainable and prosperous economy**
- **Helping people and communities to fulfil their potential**
- **Making the best use of resources**

The priorities are underpinned by a range of 'outcomes' of things they will aim to achieve for people who live and work in the county and 'key performance indicators and targets to measure their progress and impact in achieving their stated outcomes.

Developing the internal audit plan 2021/22

We have used various sources of information and discussed priorities for internal audit with the following groups:

- Executive Leadership Team
- Directorate Management Teams
- Other Key Stakeholders
- Regulation, Audit and Accounts Committee



In accordance with the Public Sector Internal Audit Standards there is a requirement that Internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

In response to the continued uncertainty of the future impacts of COVID-19 coupled with the organisations prioritisations in responding to the crises the Southern Internal Audit Partnership has moved to a quarterly planning process to ensure internal audit focus remains timely and relevant to the changing needs and requirements of the organisation. This report details proposed internal audit coverage during quarter 4.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.

In light of the continued challenges presented through the COVID 19 pandemic the SIAP have adapted their operating model and continue to work virtually through the use of a range of conferencing software.

All members of SIAP have the use of Teams, Skype and Zoom on their mobile devices that enable interaction with each of our clients. The team have quickly adapted to working virtually completing testing through liaison and screen sharing with clients who have equally engaged positively to the new and enforced approach.

Internal Audit Plan 2021-22 (Q4)

Governance

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Our Council Plan	CE	Integrity of data and systems to support established KPI's	-	Q1
COVID-19 Contingency	CE	To undertake grant certification work and provide assurance in respect new or emerging COVID related risks – Vaccination preparedness in Care Homes. Initial review to determine readiness for legislative deadlines with a follow up to provide assurance on the embeddedness of end-to-end process	CR68 CR70	Q3-Q4
Health & Safety	HR&OD	To review policy, process and compliance following the H&S team being brought back in-house. 📄	CR50	Q2
Emergency Planning, Business Continuity, Service Resilience	CFO	Plans are regularly reviewed and account for changes in operating model(s) (incl. working from home). Also consider provision for Senior Manager capacity (CR70). 📄	CR68 (CR70)	Q3
Information Governance - GDPR	DL&A	Awareness & compliance with particular consideration of increased home working – confidentiality, printing, retention, disposal etc.	CR39b	Q3
HR Policy Review	HR&OD	To ensure completeness and compliance with key HR policies	-	Q4

Keeping people safe from vulnerable situations

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Think Family	EDCY&L	Mandatory grant return	-	Q1
Firewatch	CFO	Review of controls in place to ensure key data held in the system is complete, accurate and up to date pending integration into Oracle	-	Q1
Communications and Equipment	CFO	Following a recent visit by Ofcom, to review the structure and governance of the Information and Systems Group and the controls in place within fleet and engineering to manage pagers, radios and masts.	-	Q4

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Assurance Mapping–Children’s Services	EHCYP&L	To map service assurances across the three lines to determine duplication / gaps in the assurance attained. To include a focus on compliance with legislation and government policy.		Q3
CYPS&L Practice Improvement Workstreams	EHCYP&L	To assess scope following review of pending report from the Commissioner for Children’s Services in West Sussex	CR69	Q4
Operational Training	CFO	Review policy, process and governance. Provide assurance that all operational staff are fully trained for their role meeting the required standards.		Q2
Fleet Management	CFO	Review the effectiveness of fleet maintenance scheduling ensuring the fleet is safe, fit for purpose and complies with DVSA requirements		Q2
Working Time Directive	CFO	Review controls in place to ensure that hours worked are effectively monitored and in line with the Working Time Directive.		Q3
Risk & Business Continuity	CFO	Effectiveness of the risk management and business continuity processes throughout WSFRS allowing lessons learnt to be effectively captured and fed forward to improve future response.		Q2
Safe & Well	CFO	To ensure robust controls are in place following the introduction of the Farynor system.		Q4

Appendix A
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A sustainable and prosperous economy

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Home to School Transport	EDPS	Full review of Home to School Transport provision following a previous limited assurance audit. P	ES026	Q1
Highways Maintenance	EDPS	Review of contract management arrangements and effective delivery of the highways maintenance contract with Belfour Beattie	HTP56	Q1


Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Equality Impact Assessments	DHT&P	To review effectiveness of governance and compliance in the required completion of EIAs.	LA7	Q3
Climate Change Strategy	DE&PP	To build on the governance review and look at the embeddedness and achievement of objectives / priorities	EPP74 PA005	Q3
Ash Dieback	DHT&P	Project in place to identify and manage affected trees across the county.		Q3

Helping people and communities to fulfil their potential

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
School Thematic – Governance (Decision Making - Salaries)	EDCYP&L	Assurance that the pay decision process in relation to Senior Leaders is tightly correlated to strong educational outcomes and sound financial management, that where outside of the relevant banding for the size of school, guidance is adhered to.	-	Q1
School Thematic – Summer School Funding	EDCYP&L	Assurance over the compliant use of available funding	-	Q4
SFVS	DE&S	Mandatory requirement - review of the SFVS returns to identify areas of weakness / non-compliance to inform School Thematic Reviews / Individual School Visits	-	Q1
SFVS	DE&S	Mandatory requirement – collection of 2021/22 returns including additional requirements for related party transactions	-	Q4
Hammonds (Residential Care Home)	EDA&H	Establishment audit following a wider thematic review which focused on cash handling and reconciliations	-	Q1

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Capital Project Delivery (Education)	DE&S/DP&A	End to end review of project process to ensure compliance and timely delivery.	ES047 PA007	Q2
Adults Income	EDA&H	Review of policies and procedures ensuring service users are in receipt of the benefits to which they are entitled and are paying an appropriate contribution toward the cost of their care.	FSS49	Q2
AMHPS	EDA&H	To build on prior review to provide assurance on the newly embedded operating model.	ASC022	Q2
Payments to Providers - Adults	EDA&H	Review efficiency of payments to provider processes considering potential over assurance and the adequacy of management oversight.		Q3
Assurance Mapping-Adult Services	EDA&H	To map service assurances across the three lines to determine duplication / gaps in the assurance attained.		Q3
Commissioning, Contract Management and Care Quality	EDA&H	To focus on Adults Advocacy Service – contract management		Q4
Adults Contingency	EDA&H	Review areas to be determine following completion of assurance mapping		Q4
Special Educational Needs	DE&S	Assurance on commissioning of places and processes for ensuring VFM	ES008	Q4

Making the best use of resources


Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
People Framework	HR&OD	Assurance on delivery and embedding of the People Framework as an underpinning foundation to the Reset Plan	CR11	Q1
Smartcore (Oracle Fusion)	DF&SS	Assurance over project management and delivery of significant change programme. 	FSS44	Q1

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Fraud (Proactive / Reactive)	DF&SS	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud (see Fraud Plan).	-	Q1-Q4
Annual Governance Statement	DL&A	Review of the framework to develop and report the AGS.	CR7	Q1
Payroll	DHR&OD	Cyclical review of core financial system		Q1
Contract Management	Corporate	Assurance on the deliverables of a selection of key contracts and the effectiveness of contract management arrangements		Q1
IT Transition Programme	DF&SS	To review governance arrangements for the transition of IT services from Capita.		Q1
Financial Resilience	DF&SS	The pressures created by COVID have been significant and the long-term effects on BAU remain unclear. There also remain the existing budget pressures that were known prior to COVID and remain now and into the future. To review future planning and assumptions within the MTFs. 📄	CR22	Q3
Account Receivable	DF&SS	Fundamental system review		Q3
Budgetary Control	DF&SS	To review governance, accountability and compliance with processes in place to control and monitor budgets ensuring early detection and escalation of potential pressures and underspend.		Q2
IR35	HR&OD	Compliance with statutory requirements and recent legislative changes. 📄		Q2
Savings Realisation	DF&SS	To assess realisation of savings target / initiatives as detailed in business plans.	CR22	Q3
IT Governance	DF&SS	Information Technology Infrastructure Library (ITIL) Process Transition		Q4
IT Assurance Mapping	DF&SS	To map service assurances across the three lines to determine duplication / gaps in the assurance attained.	CR39a/b	Q4

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
IT Contingency	DF&SS	Reviews to be confirmed (potentially email & document management)	CR39a/b	Q4
Parkside Service Charge Review	DP&A	Independent verification of service charges relating Parkside (County Hall North).		Q3
Procurement	DF&SS	Sub £100k spend – data analytical review		Q4
Treasury Management	DF&SS	Cash flow is adequately planned, with surplus monies invested in line with the Council's Treasury Management Strategy		Q4

Appendix A
Agenda Item 6**Grants**

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Highways Maintenance	DHT&P	Statutory grant certification		Q2
HIV PrEP	DPH	Statutory grant certification		Q2
Additional Home to school transport				Q3-4
Bus Services Operator Grant				Q3-4
Local Energy Communities for the two seas region				Q4
Management and review				Q1- Q4

 - indicates reviews deferred from 2020/21 and brought into the 2021/22 plan

Audit Sponsor

Chief Executive

Chief Fire Officer (CFO)
Director of Human Resources and Organisational Development (HR&OD)
Director of Law and Assurance (DL&A)
Director of Finance and Support Services (DF&SS)

Executive Director, Adults & Health

Director of Public Health (DPH)
Joint Strategic Director of Commissioning (JSDC)

Executive Director Place Services

Director of Highways Transport and Planning (DHT&P)
Director of Environment and Public Protection (DE&PP)
Director of Property and Assets (DP&A)
Director of Communities (DC)

Executive Director of Children, Young People and Learning

Director of Education and Skills (DE&S)

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**Key decision: Not applicable
Unrestricted**

Regulation, Audit and Accounts Committee

17 January 2022

Treasury Management Compliance Report – Third Quarter 2021/22

Report by Director of Finance and Support Services

Summary

In accordance with treasury management governance arrangements, this report details compliance against planned parameters as approved within the annual Treasury Management Strategy Statement (TMSS).

During the third quarter of 2021/22 the County Council complied with all of the relevant statutory and regulatory requirements related to its treasury management activities. The Director of Finance and Support Services confirms that there were no breaches of the approved TMSS (including the Annual Investment Strategy) during the period.

Recommendation

The Committee is asked to review and comment on the Treasury Management Compliance Report.

Proposal

1. Introduction

1.1 The County Council has substantial amounts of investments and borrowings and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management recommends that members are regularly updated on treasury management activity; this report therefore ensures the County Council is implementing best practice in accordance with the Code.

2. Compliance Report

2.1 Throughout the third quarter of 2021/22 the County Council complied with the relevant statutory and regulatory requirements which require officers to identify and where possible quantify the levels of risk associated with its treasury management activities. Additionally, no counterparty that the County Council held investments with during the quarter was negatively impacted by credit rating updates as published by Fitch, Moody's and Standard & Poor's, credit default swap/equity price trends and general media alerts.

- 2.2 **Borrowing:** On 31 December 2021 the County Council’s Public Works Loan Board (PWLB) long-term borrowing for capital purposes totalled £471.3m (no change from 30 September 2021). During the third quarter of 2021/22:
- (a) No new external borrowing for capital purposes was undertaken during the period.
 - (b) No external debt rescheduling was undertaken during the period.
 - (c) Excluding money held on behalf of the Chichester Harbour Conservancy (and its associated charities) and approved overdraft facilities with the County Council’s main provider of banking services (Lloyds), no short-term borrowing was undertaken for cash flow purposes. The County Council’s policy of funding daily cash flow shortages from balances held in short-term Money Market Funds was maintained throughout the period.
- 2.3 **Investment:** The average level of County Council funds available for treasury investment during 2021/22 (to 31 December) was £423.8m. Actual levels of investments, including cash balances held in the County Council’s main Lloyds business bank accounts, amounted to £401m on 31 December 2021 (£433.7m as of 30 September 2021). Cash balances available for investment remain at elevated levels, a consequence of Capital, Revenue & Emergency Covid-19 funding received ahead of committed spend.
- 2.4 UK banking legislation places the burden of rescuing failing banks disproportionately onto unsecured creditors (including local authority investors) through the potential bail-in of unsecured bank deposits. The use of unsecured bank deposits and short-term Money Market Funds however remains an integral part of the County Council’s investment strategy in maintaining adequate cash-flow liquidity; ensuring that there were enough funds to meet all financial obligations (including those relating to Covid-19) as they arose. During the third quarter of 2021/22 this included the arrangement of short term investments (up to one year) in UK Government backed securities (Gilts), financial institution deposits and local authority loans; with liquidity being maintained in Money Market Funds. As a consequence, the disposition of bank unsecured/other investments on 31 December 2021 as compared with 30 September 2021, is detailed below:

Counterparty Type	Sep-21 £m	Sep-21 %	Dec-21 £m	Dec-21 %
Banks Unsecured (Deposits)	104.5	24.1	113.5	28.3
Short-Term Money Market Funds	137.7	31.7	109.7	27.3
Total Bank Unsecured	242.2	55.8	223.2	55.6
Bank Secured-Less than 1 year	15.1	3.5	15.1	3.8
Bank Secured-Greater than 1 year (i)	10.0	2.3	10.0	2.5
Non-Bank-Less than 1 year	110.0	25.4	100.2	25.0
Non-Bank-Greater than 1 year (i)	5.0	1.2	0.0	0.0
Internal Investments	382.3	88.2	348.5	86.9
Externally Managed - Multi Asset	27.0	6.2	26.9	6.7
Externally Managed – Property	24.4	5.6	25.6	6.4
TOTAL INVESTMENTS	433.7	100.0	401.0	100.0

(i) *Greater than one year at commencement of investment.*

- 2.5 The full breakdown of the County Council’s investment portfolio on 31 December 2021 is shown in **Appendix A**.

- 2.6 In demonstrating compliance with the County Council's creditworthiness policy (as contained within the approved 2021/22 "Annual Investment Strategy") the movement in the investment portfolio (actual cash position) by the credit rating of the financial institution, or the credit rating of the specific investment (for example covered bonds) if higher than the individual counterparty rating, is shown below:

Institution / Investment Credit Rating	Mar-21 £'m	Jun-21 £'m	Sep-21 £'m	Dec-21 £'m
AAA (i)	160.0	97.5	162.8	134.8
AA-	15.0	15.0	39.8	50.0
A+	46.3	44.7	34.7	44.2
A	15.0	15.0	30.0	29.5
A-	10.0	10.0	0.0	0.0
Local Authority (No Rating)	130.0	145.0	115.0	90.0
Internally Managed	376.3	327.2	382.3	348.5
Externally Managed (AAA)	0.0	0.0	0.0	0.0
Externally Managed (Other)	38.3	51.2	51.4	52.5
Total Investments	414.6	378.4	433.7	401.0

(i) *Includes short-term Money Market Funds and Covered Bonds.*

- 2.7 Furthermore, the Director of Finance and Support Services confirms that during the third quarter there were no breaches of the following additional exposure limits as approved within the 2021/22 Annual Investment Strategy, including:

- (a) Up to a maximum of £90m (£30m per individual sovereign) may be invested in non-UK organisations (excluding investments held in short-term Money Market Funds and externally managed pooled funds).

Deposits by Sovereign	Sep-21 £'m	Dec-21 £'m
Australia	24.3	24.3
Canada	24.9	24.9
Finland	9.9	9.9
Netherlands	0.0	10.0
Total Investments on 31 December 2021	59.1	69.1

Total non-UK investments on 31 December 2021 (£69.1m) represents the highpoint of such invested amounts during the third quarter of 2021/22.

- (b) Up to a maximum of £100m may be invested in negotiable instruments (bonds, certificate of deposits etc.) held in a nominated custody account. **Actual:** £88.8m on 31 December 2021 (£99.3m highpoint during the quarter).
- (c) Up to a maximum of £175m may be invested in short-term Money Market Funds (excluding externally managed pooled funds). **Actual:** £109.7m on 31 December 2021 (£167.7m highpoint during the quarter).
- (d) Up to a maximum of £100m may be invested in externally managed pooled funds; of which £60m may be invested in such funds not holding a AAA credit rating. **Actual:** £52.5m total investment on 31 December 2021; all of which is invested in unrated multi-asset income and property

funds (*change in fund market valuations being the only movements during the quarter*).

- (e) Up to a maximum of £100m to be made available for long-term strategic investment based on forecast levels of PFI/MRMC reserves (as reported in the County Council's Treasury Indicators). **Actual:** £62.5m on 31 December 2021 (*no new long-term investments arranged during the quarter; £5m repaid in November 2021 by Barnsley Metropolitan Borough Council on maturity of two year loan*).

3. Risk implications and mitigations

- 3.1 Covered in main body of report.

Katharine Eberhart

Director of Finance and Support Services

Contact Officers

Vicky Chuter, Financial Reporting Manager, 033 022 23414

Jon Clear, Treasury Management Officer, 033 022 23378

Appendices

Appendix A – The County Council's investment portfolio on 31 December 2021.

Background Papers

None

Investments held on 31 December 2021

Investments held with counterparty's approved within the County Council's 2021/22 Treasury Management Strategy (together with prevailing credit ratings and maximum monetary and duration limits) on 31 December 2021, are set out below:

Total Investments for period = £401.0m

Table 1: UK Banks (Unsecured) – Total £59.5m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Goldman Sachs International Bank	A+	£15m	1 Year (i)	05/08/21	04/02/22	183	35	0.19%	£15.0m
Handelsbanken Plc: 35-Day Notice Account	AA-	£15m	1 Year	n/a	n/a	n/a	n/a	0.05%	£15.0m
Lloyds Bank Plc: Business Accounts	A+	£15m	1 Year	n/a	n/a	n/a	n/a	0.00%	£0.0m
Lloyds Bank Corporate Markets Plc	A	£15m	6 Months	03/12/21	01/06/22	180	152	0.265%	£14.5m
National Westminster Bank Plc	A	£15m	1 Year	05/02/21	04/02/22	364	35	0.09%	£10.0m
National Westminster Bank Plc	A	£15m	1 Year	03/08/21	03/08/22	365	215	0.16%	£5.0m

- (i) *The 2021/22 Treasury Management Strategy approves investment durations up to a maximum of one year for unsecured deposits in UK Banks holding a A+ long-term credit rating. However, given Goldman Sachs International Bank's elevated CDS price (in comparison with other approved UK banks) the County Council currently only considers deposits up to a maximum six month duration; in line with recommended exposure limits received from Link Group (Link Asset Services).*

Table 2: UK Banks (Secured) – Total £10.0m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Nationwide Building Society (Covered Bond)	AAA	£25m	10 Years	02/08/19	02/08/22	1,096	214	0.48%	£10.0m

Table 3: Non-UK Banks (Unsecured) – Total £54.0m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	22/01/21	21/01/22	364	21	0.10%	£5.0m
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	22/04/21	22/04/22	365	112	0.14%	£5.0m
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	22/07/21	22/07/22	365	203	0.20%	£5.0m
Cooperatieve Rabobank (Netherlands)	A+	£15m	1 Year	03/11/21	03/11/22	365	307	0.625%	£10.0m
National Australia Bank (Australia)	A+	£15m	1 Year	05/08/21	27/06/22	326	178	0.145%	£4.2m
Nordea Bank (Finland)	AA-	£15m	1 Year	21/09/21	21/09/22	365	264	0.175%	£9.9m
Toronto-Dominion Bank (Canada)	AA-	£15m	1 Year	16/08/21	12/08/22	361	224	0.155%	£10.0m
Toronto-Dominion Bank (Canada)	AA-	£15m	1 Year	15/09/21	13/09/22	363	256	0.195%	£4.9m

Table 4: Non-UK Banks (Secured) – Total £15.1m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Canadian Imperial Bank of Commerce	AAA	£25m	10 Years	07/09/21	10/01/22	125	10	0.15%	£10.0m
Westpac Banking Corp. (Australia)	AAA	£25m	10 Years	12/07/21	30/06/22	353	181	0.13%	£5.1m

Table 5: Short-Term Money Market Funds – Total £109.7m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Aberdeen Standard Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.05%	£25.0m
Blackrock Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.00%	£11.3m
Deutsche Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.00%	£25.0m
Federated (UK) Sterling Liquidity Fund	AAA	£23.1m (ii)	Note (iii)	n/a	n/a	n/a	n/a	0.03%	£23.4m
JP Morgan Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.03%	£25.0m

- (ii) Maximum monetary limit calculated as 0.5% of the Fund's total Assets Under Management (AUM); £4.62bn at close of play on 31 December 2021. Corrective action taken on the next working day as per the approved 2021/22 Treasury Management Strategy (£0.3m withdrawal from fund actioned on 4 January 2022).
- (iii) No defined maturity periods for short-term Money Market Funds; withdrawals based on cash flow liquidity requirements.

Table 2: UK Government Backed Securities – Total £10.2m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
UK Gilts (HM Treasury)	AA-	Unlimited	50 Years	05/10/21	07/09/22	337	250	0.18%	£10.2m

Table 6: UK Local Authorities – Total £90.0m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Blackpool Council	n/a	£25m	20 Years	29/10/21	28/10/22	364	301	0.10%	£5.0m
Brent Council	n/a	£25m	20 Years	08/02/21	07/02/22	364	38	0.10%	£10.0m
Brent Council	n/a	£25m	20 Years	26/02/21	24/02/22	363	55	0.15%	£5.0m
Haringey Council	n/a	£25m	20 Years	12/03/21	11/03/22	364	70	0.22%	£10.0m
Plymouth City Council	n/a	£25m	20 Years	19/04/21	14/04/22	360	104	0.26%	£10.0m
Plymouth City Council	n/a	£25m	20 Years	06/05/21	06/05/22	365	126	0.12%	£5.0m
Slough Borough Council	n/a	£25m	20 Years	15/01/21	14/01/22	364	14	0.30%	£10.0m
Slough Borough Council	n/a	£25m	20 Years	28/05/21	27/05/22	364	147	0.15%	£5.0m
Southwark Council	n/a	£25m	20 Years	18/02/21	18/01/22	334	18	0.11%	£5.0m
Southwark Council	n/a	£25m	20 Years	05/03/21	05/01/22	306	5	0.12%	£5.0m
Thurrock Council	n/a	£25m	20 Years	04/08/21	04/08/22	365	216	0.22%	£10.0m
Thurrock Council	n/a	£25m	20 Years	01/10/21	30/09/22	364	273	0.25%	£10.0m

Table 7: Pooled Funds (Externally Managed) – Total £52.5m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	2021/22 EIR (iv)	Market Value
Fidelity Multi-Asset Income Fund	n/a	£15m	Note (v)	11/12/18	n/a	1,117	n/a	4.54%	£13.7m
Ninety-One Diversified Income Fund	n/a	£15m	Note (v)	05/12/18	n/a	1,123	n/a	3.85%	£13.2m
CCLA (Local Authorities' Property Fund)	n/a	£15m	Note (v)	28/02/17	n/a	1,768	n/a	3.86%	£10.6m
Hermes Property Unit Trust (HPUT)	n/a	£15m	Note (v)	28/08/18	n/a	1,222	n/a	3.57%	£10.1m
Lothbury Property Trust (LPT)	n/a	£15m	Note (v)	03/09/18	n/a	1,216	n/a	2.52%	£4.9m

(iv) Estimated return (EIR) based on information received from the respective Fund Managers during 2021/22 (to-date).

(v) Minimum three to five year investment horizon for externally managed multi-asset income and property pooled funds.

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**Key decision: Not applicable
Unrestricted**

Regulation, Audit and Accounts Committee

17 January 2022

Quarterly Review of Corporate Risk Management

Report by Director of Finance and Support Services

Summary

This Committee has responsibility for oversight of the Council's risk management arrangements.

There have been no risks added or removed from the corporate risk register this quarter. Several risks have been reviewed, however there have been no changes to their risk severity.

All future Risk Management Lunch 'n' Learn sessions will be delivered as a webinar and this course is now available to staff in Districts and Boroughs, and other partnering organisations, at nil cost. The follow-on course (Risk Management in Practice) has been designed for face-to-face delivery using a combination of instruction via PowerPoint and syndicate/group work and will involve staff working through the WSCC risk management process using a generic scenario.

Recommendation

- (1) The Committee is asked to review the information detailed in the report and provide comment as necessary.
-

Quarterly update

1 Introduction

The Committee has responsibility to monitor the effectiveness of risk management arrangements. That role, together with a description of the Council's approach to risk management, is set out in the Constitution at Part 4 Section 4. It covers the allocation of responsibilities, including the quarterly review of risk management activity.

2 Background and context

- 2.1 During the preceding quarter there have been no changes to the corporate risk register.
- 2.2 The following table summarises risks on the corporate risk register with the current severity graded above the tolerance threshold:

Risk No	Risk	Score - Prev Qtr	Score
CR39a	Cyber-security	25	25
CR58	Failure of social care provisions	25	25
CR72	Children and young people will not be cared for in settings that best meet their needs	16	16

- 2.3 The corporate risk register continues to be reviewed quarterly by ELT, with any actions promptly addressed.
- 2.4 The directorate risk registers have been reviewed at least quarterly by each Director and their management team, with support from the Corporate Risk Manager. The Corporate Risk Manager has continued to engage quarterly with Executive Directorate teams to discuss corporate and other directorate/service risks, and risk governance.
- 2.5 Operational COVID-19 risks are considered and managed within the services, either through the production of new risks or applying the ramifications to an existing risk and its assessment. In addition, specific corporate COVID-19 risks are captured and controlled by the councils COVID-19 response team. The Corporate Risk Manager presents a summary of risks by themes and workstreams to ELT monthly for consideration.
The table below summarises the key corporate COVID-19 risk.

Risk
Increasing/unmanageable workload for staff due to anticipated increase in support to LTP
Community Hub staff recruited on FTC's will seek alternative/permanent employment

- 2.6 Capital Programme risks are reported through their respective programme board. There is ELT representation on these boards ensuring that significant concerns to the successful delivery of the programmes and/or associated projects are discussed, communicated to ELT, and reflected in the corporate risk register if required. The Corporate Risk Manager has continued to provide support to projects and programmes, and their risk registers.
- 2.7 The Risk Management Lunch 'n' Learn sessions will continue to be delivered as a webinar for the foreseeable future, and the course content has been amended to facilitate this delivery method. This course is now available for staff in Districts and Boroughs, and other partnering organisations, at nil cost. The follow-on course (Risk Management in Practice) has been designed for face-to-face delivery using a combination of instruction via PowerPoint and syndicate/group work and will involve staff working through the WSCC risk management process using a generic scenario. To support staff in better managing their risks the Corporate Risk Manager has produced a variety of resources, which have been communicated to all staff and added to the WSCC Risk Management SharePoint site.
- 2.8 The quality and currency of information contained in the corporate and directorate risk registers will continue to be reviewed and updated. The Corporate Risk Manager is continuing to challenge whether identified actions will sufficiently address the concerns, and within a suitable timeframe.

- 2.9 Ongoing activities the Corporate Risk Manager is undertaking to ensure continuous improvement and alignment with best practice include:
- Attendance at TMG (chairing when requested) and Smarter Working Stakeholder Group
 - Review of Sussex Resilience Forum (SRF) risks against TMG risk register
 - Attend the South East Risk Managers Group to share best practice of risk management in the public sector across various local authorities
 - Attend appropriate seminars held by professional bodies e.g. Alarm, CMI
 - Support projects and programmes to provide assurance and support on robust governance
 - Engage and support Executive Directors, Directors, service managers and their teams on capturing and communicating risk
 - Attendance at/facilitating various internal boards, meetings and working groups
- 2.10 At this stage, there will be no additional resources required to facilitate the embedding/management of risk and future actions as current support within the organisation is sufficient. The Corporate Risk Manager is conducting risk workshops and risk training sessions in existing management meetings or during lunchtimes where possible to mitigate resource and scheduling conflicts. However, the 'Risk Management in Practice' course will take place during working hours, and participants will be responsible for ensuring their attendance doesn't significantly impact their role requirement.
- 2.11 The committee is asked to consider the information in this report and provide comment as necessary.

3 Risk implications and mitigations

- 3.1 The subject of the report is the corporate risk register. It would be contrary to the interests of the Council not to ensure that its risk management processes and registers were not aligned to Risk Management Strategy.

4 Policy alignment and compliance

- 4.1 Equality duty and human rights assessment. An Equality Impact Report is not required for this decision as it is a report dealing with internal and procedural matters only, although the Council's responsibilities in relation to the public sector equality duty will be one element of the approach to risk management.

Katharine Eberhart

Director of Finance and Support Services

Contact Officer: Fraser Pake, Corporate Risk and Business Planning Manager, 033 022 28246

Appendices

Appendix A – Corporate Risk Register

Background papers

None

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Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date			
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score				
CR68	The government have relaxed COVID-19 restrictions, however there are still requirements for Local Authorities to support the management of the COVID-19 pandemic. If there is a resurgence in COVID-19 infections and local (county or district) responsibilities are prolonged or additional measures imposed, there is a risk services will fail to deliver existing work plans due to staff responding to the impact of the pandemic, or staff shortages due to sickness.	Chief Executive	1. Failing to deliver statutory duties.	Mar-20	5	5	25	Treat	5	2	10	Review and update business continuity and service critical plans.	CLT	ongoing	Business continuity plans periodically reviewed. To date there is sufficient resource to deal with challenges.	5	3	15	Jan-22			
			2. Negative reputational impact.									Regular engagement with MHCLG and ensure information and direction is discussed and implemented through the Strategic Coordinating Group (SCG-Gold) and Tactical Coordination Group (TCG-Silver).								Chief Executive	ongoing	Outcomes to inform Tactical Management Group (TMG), Strategic Management Group (SMG), and Local Health Resilience Partnership (LARP) for action/info.
			3. Residents don't receive support required.									Develop communications when required to manage expectations of staff and residents on WSCC response position.								Head of Communications	ongoing	Collaboration and agreement on services provision messages with directorates and ELT through current COVID-19 mechanisms (TMG and SMG).
			4. Insufficient budget/budget exceeded.									To continue to lobby government groups to influence funding decisions.								Chief Executive	Ongoing	Sufficient funding received to date to deal with the cost.
			5. Increase risk to life.									Services to consider impacts should government impose restrictions (via tier system) at a district level as opposed to county.								CLT	ongoing	To be captured in business continuity plans.
			6. Information not shared appropriately.																			
CR70	There is an increasing demand placed on the senior officers due to the ongoing threat of COVID19 and additional burdens due to devolved responsibilities. This may lead to a continued lack of capacity to deal with strategic/organisational issues , leading to poor decision making.	Chief Executive	1. Outcomes for residents not delivered	Aug-20	4	3	12	Tolerate	4	3	12	Continue to monitor service resource impact.	ELT	ongoing	Concerns raised through ELT	4	3	12	Mar-22			
			2. Residents don't receive support needed.									Provision of support to services when required.								SMG	ongoing	Support requests raised through TMG and escalated to SMG if required.
			3. Failing to deliver statutory duties																			
CR7	There are governance systems which inhibit effective performance and a culture of non-compliance and also a lack of standardisation in some systems and processes . Skills and knowledge of systems inadequate and excessive effort required for sound decisions and outcomes.	Director of Law & Assurance	1. Delayed decisions impede service delivery.	Dec-19	4	4	16	Treat	2	2	4	Data on areas of non-compliance used to inform Directors to enforce compliance with standards.	Director of Law & Assurance	Ongoing	AGS actions approved November 2020 - updated and sent to RAAC March 21. 21/22 AGS actions approved and underway.	4	2	8	Mar-22			
			2. Service improvement effort impeded.									Regular compliance monitoring and active corporate support when non-compliance happens to establish better practice.								Director of Law & Assurance	Ongoing	Audit plan settled and activity in progress - specific work on governance of officer interests as first focus.
			3. Resources misapplied - poor VFM.									Audit plan focussing reviews on key corporate support systems to identify areas in need of improvement.								Director of Law & Assurance	Ongoing	Actions underway as per agreed audit plan and specific audit projects
			4. Complaints and claims.									Guidance to CLT on governance. Schedule and deliver associated training								Director of Law and Assurance	Jan-22	Guidance completed (December 21) Training roll out from Jan 22. CMT session Nov 21 completed.
			5. Censure by external inspection.																			

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date		
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score			
CR11	There is a risk that the Council will not be seen as an attractive place to work by current and potential employees. This will result in problems recruiting and retaining staff in key skills areas.	Director of Human Resources & Org Dev	1. Over-reliance on interim and agency staff.	Mar-17	4	5	20	Treat	4	2	8	Application of policy and provisions for various hard to fill posts.	Head of HR Bus Ptr & Org Dev	Ongoing	Use of R&R package to recruit children's social workers. Relocation support for hard to fill roles awaiting sign off by ELT. Use of apprenticeships to build talent pipelines e.g. social worker, occupational therapist, management programmes.	4	3	12	Feb-22		
			2. Lack of corporate memory.									Produce Directorate Workforce Plans to identify skills, capacity and capability requirements.			Head of HR Bus Ptr & Org Dev					Apr-22	Reward & Retention package for Children's Social Workers produced. Development of Workforce Plan being carried out as part of Children First Improvement Plan.
			3. Inadequate pace/speed of delivery.									Development of comprehensive employee value proposition.			Head of Res Org Dev & Talent					Feb-22	Part of People Framework Action Plan, will be progressed once initial kick start projects are delivered. Updated context on website on 5 key areas of EVP, namely working environment, culture, financial benefits, career progression and learning and development.
			4. Low staff morale and performance.									Longer term strategies for addressing recruitment issues e.g. apprenticeships, growing our own.			Head of Res Org Dev & Talent					Ongoing	3 year plans in place for apprenticeships (currently being refreshed). LGA consultancy engaged with; recommendations received. Continuing programme of marketing and awareness raising, e.g. National Apprenticeships Week.
CR22	The financial sustainability of council services is at risk due to uncertain funding from central government and/or failure to make the required decisions to ensure the budget is balanced. This has been compounded further with the COVID-19 crisis, and the recent Ofsted and HMIC FRS reports.	Director of Finance & Support Services	1. Insufficient government funding to deliver services.	Mar-17	4	4	16	Tolerate	4	3	12	Pursue additional savings options to help close the budget gap.	Director of Finance & Support Services	Ongoing	Good progress has been made towards updating the MTFS and producing a balanced budget for 2022/23 in spite of significant national uncertainty about the future of local government funding. The Government will be announcing the outcome of their Comprehensive Spending Review on 27/10/21, the implications of which will be reflected in further updates to the MTFS during November and December.	4	3	12	Feb-22		
			2. Adverse effect on reserves/balanced budget.									Monitor the use of additional funds made available to improve service delivery.			Director of Finance & Support Services					Ongoing	Improvement is monitored through the relevant service boards
			3. Reputational impact through reduction of service quality									Financial impacts arising from the Covid-19 national emergency need to be reflected and addressed within the PRR and MTFS as appropriate.			Director of Finance & Support Services					ongoing	The PRR report now reflects the impact of Covid-19 and sets out how this impacts specific services and WSCC as a whole. This is underpinned by a bespoke recording approach within SAP, which clearly accounts for the costs incurred and funding received from Government, alongside the Delta return made to MHCLG on a monthly basis. The MTFS planning framework also reflects the potential impact of Covid-19, both from the potential funding and budget pressures perspectives.
			4. Increased liability of service delivery, transferred by external partners due to funding restrictions i.e. supporting homelessness.																		
			5. Additional unexpected service and cost pressures from savings decisions.																		
			6. Financial implications for both 2022/23 and the medium term arising from the national emergency circumstances associated with Covid-19.																		

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date		
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score			
CR39a	Cyber threat is an evolving, persistent and increasingly complex risk to the ongoing operation of County Council. There is a risk of a successful cyber attack directly from external threats; or indirectly as a consequence of members or staff falling prey to social engineering or phishing attacks. The potential outcome may lead to significant service disruption and possible data loss.	Director of Finance & Support Services	1. The Council suffers significant financial loss or cost.	Mar-17	4	5	20	Treat	4	4	16	Regular review, measurement and evaluation of corporate (technological/process) / organisational (behavioural) response to current and emerging cyber threats, where applicable to undertake pertinent actions to mitigate risks identified.	Head of IT	Ongoing		5	5	25	Feb-22		
			2. The Council's reputation is damaged.									Improve staff awareness of personal & business information security practices & identification of cyber-security issues. Continued actions due to evolving threats.			Head of IT					Ongoing	Regular comms distributed to all staff. Continuing to drive employees to undertake mandatory annual Information Security and Data Protection education and certification. Adhoc actions taken (as appropriate) in response to level of cyber threat.
			3. Resident's trust in the Council is undermined.									Maintain IG Toolkit (NHS) & Public Service Network security accreditations.			Head of IT					Ongoing	Ongoing works to ensure appropriate connectivity/accreditation for applicable public sector/government networks/system connectivity.
			4. Partners will not share data or information with the Council.									Conduct tests including penetration, DR and social engineering. (conducted 6 monthly)			Head of IT					Ongoing	2021 testing schedule defined and in delivery.
			5. Punitive penalties are made on the Council.									Ensure that cyber-attack is identified early, that reporting & monitoring is effective, and recovery can be prompt.			Head of IT					Ongoing	Proactive stance implemented to ensure a watching brief for threats/updated guidance notes. WSCC has formally joined SE Warning Advice and Reporting Point (WARP).
												Provide capacity & capability to align with National Cyber-Security centre recommendations.			Head of IT					Ongoing	Training needs assessment regularly undertaken, programme of education developed to ensure IS resources are appropriately skilled and corporate practices followed align to NCSC guidance's.
												Transition to a controlled framework for process and practice.			Head of IT					Ongoing	IT service redesign to be carried out due to early return of ITO.

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date		
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score			
CR39b	Data protection responsibilities. The Council is a Data Controller and has obligations and responsibilities arising from that role. Council needs resources, skills, knowledge, systems and procedures to ensure obligations are met.	Director of Law & Assurance	1. Individuals or groups come to harm.	Mar-17	4	5	20	Tolerate	3	3	9	Test the effectiveness of DPIA	Head of Data Protection	Ongoing	Annual business process review via DPIA to confirm compliance or to reflect update/risk assessment if business process elements have shifted since last review.	3	3	9	Mar-22		
			2. The Council's reputation is damaged.									Maintain IG Toolkit (NHS) & Public Service Network security accreditations.			Head of IT					Ongoing	Ongoing works to ensure appropriate connectivity/accreditation for applicable public sector/government networks/system connectivity. DPT has this task which is completed in March every year: March 2021 WSCC met expectations. Remainder is ongoing
			3. Resident's trust in the Council is undermined.									Undertake Data Privacy Impact Assessments (DPIA) when systems or processes change and carry out resulting actions.			Director of Law & Assurance					Ongoing	Processes settled. Impact assessments completed. Further DPIA to be conducted as required.
			4. Partners will not share data or information with the Council.									Enable safe data sharing, including using appropriate data standards & appropriate anonymization techniques.			Head of IT					Ongoing	Mandatory training implemented to ensure employees are aware of obligations and support available. Data sharing agreements / contractual terms to cover provision of effectively managed DP obligations between WSCC/Suppliers/third parties.
			5. Punitive penalties are made on the Council.									Ensure the skills and knowledge is available to support Caldicott Guardian in ASC.			Head of Data Protection					Ongoing	DP Team leader liaised with DASS March 21 to settle actions. Training slides provided with introduction to relevant policy and processes. Offer of ongoing assistance.
												Adopt ISO27001 (Information Security Management) aligned process & practices.			Head of IT					Ongoing	Adoption of ISO27001 is being considered as part of a wider assurance framework being developed to support operation of the Council's transformed internal IT function subsequent to the recent exit of the IT outsource.
												Review IT systems implemented prior to 25 May 2018 to confirm compliance with updated regulations.			Director of Law & Assurance					Timetabled	Full and detailed inventory of the remaining systems to be undertaken between Jan-Mar 2022, with a further 6 to 12 month period to complete the end to end rationalisation, cloud migration or termination of legacy applications.
CR50	WSCC are responsible for ensuring the HS&W of its staff and residents. There is a risk that if there is a lack of H&S awareness and accountability by directorates to capture and communicate in accordance with Council governance arrangements, it will lead to a serious health & safety incident occurring.	Director of Human Resources & Org Dev	1. Increase risk of harm to employees, public and contractors.	Mar-17	4	5	20	Treat	3	2	6	Purchase, develop and introduce an interactive online H&S service led audit tool.	Health and Safety Manager	ongoing	Site monitoring inspection templates and audit templates to be created in Firmstep.	3	3	9	Feb-22		
			2. Increase number of claims and premiums.									Conduct a training needs analysis, produce gap analysis to understand requirements and produce suitable courses as a consequence.			Health and Safety Manager					ongoing	1st phase H&S e-learning modules bespoke to the council H&S arrangements complete. 2nd phase currently being developed. Course content will be owned by the council instead of off the shelf course material.
			3. Adverse reputational impact to Council.									Incorporate HS&W information into current performance dashboard.			Health and Safety Manager					ongoing	Dashboard to capture details on sickness, absence and H&S. H&S data currently collated relates to RIDDOR and NON-RIDDOR incidents. Data from inspections and audits once the templates are developed in Firmstep will be linked to PowerBI dashboard.
			4. Increase in staff absence.									Regular engagement with other LA's on best practice and lessons learned.			Health and Safety Manager					Ongoing	
												Develop and introduce a more comprehensive risk profile approach and front line service based audits.			Health and Safety Manager					Ongoing	HSW risk profiling template created and being launched in some Directorates. C-19 has prevented full launch across the council.

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR58	The care market is experiencing an unprecedented period of fragility, particularly due to staff shortages and increasing demand. This has been further exacerbated by COVID19, including the mandatory requirement for care staff to have a vaccination; however this also extends to WSCC staff requiring access to these facilities (i.e. Social Workers, OT), and contractors. If the current and future commercial/economic viability of providers is not identified and supported, there is a risk of failure of social care provision which will result in funded and self-funded residents of West Sussex left without suitable care.	Executive Director of Adults and Health	<p>1. Potential that people will come to harm and Council will be unable to ensure statutory safeguarding duty.</p> <p>2. CQC action against service provider which could lead to establishment closure at short notice</p> <p>3. Financial implication of cost of reprovision following closure of services.</p> <p>4. Reduced capacity in the market as a result of failure of provision.</p> <p>5. Delay for those residents who are Medically Ready to Discharge (MRD).</p> <p>6. Non-compliance with Care Act.</p> <p>7. Reputational impact. Public perception of the council being willing to accept poor standards of care. Low public confidence in social care.</p> <p>8. Adverse impact on Health and Social Care system.</p>	Sep-18	5	5	25	Treat	3	3	9	<p>Collection of market information on Firefly. Analysis of information and appropriate level of quality assurance response.</p> <p>Provision of regular support and communication to care homes to monitor financial sustainability (increased engagement during COVID-19 pandemic to monitor Infection Control Grant).</p> <p>Financial analysis of high risk provision - due diligence checks.</p> <p>In the event of an incident, ensure the consistent implementation of Emergency Response Plans, including a full de-brief and lessons learned.</p> <p>Review capacity of residential and non-residential services to ensure service availability and to support identification of contingencies if needed.</p> <p>Administration of central government funding to provide financial support to the sector.</p> <p>Regular review of care homes business continuity arrangements to address government vaccination directive.</p>	Head of Contracts & Performance	ongoing	Due to the implications of COVID19 and service resource constraints, the ability to conduct face to face quality assurance checks has reduced. There is now an increased focus on supporting/improving infection control and closer working with the CCG to ensure the right level of support to care homes is delivered.	5	5	25	Jan-22

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR60	There is a risk of failing to deliver the HMIC FRS improvement plan , leading to an adverse affect on service delivery; which may result in failing any subsequent inspection.	Chief Fire Officer	1. Reputational damage 2. Corporate Governance Inspection 3. Legal implications of not delivering statutory services 4. Increased risk harm	Apr-19	5	4	20	Treat	5	2	10	Ensure robust project and programme governance in place and monitor delivery.	Chief Fire Officer	ongoing	The FRS has now had its second full Tranche 2 inspection in Quarter 3 2021/22 and the outcomes of which are expected to be reported in Spring 2022. The inspection covers a review of the three pillars of Efficiency, Effectiveness and People as well as a review against existing causes of concern and areas for improvement. The preparatory self-assessment against the criteria was thorough and well planned through workshops and staff briefings, as well an inspection facilitated by circa 160 staff across the organisation, who will have engaged with the inspectorate. The tranche 1 inspections and State of fire 2021 report have also been released in Q3 2021/22.	5	3	15	May-22
CR61	A 'serious incident' occurs resulting in the death or serious injury of a child where the Council is found to have failed in their duty to safeguard, prevent or protect the child from harm.	Executive Director of Children, Young People and Learning	1. The Council would have let children down and as a result our reputation and credibility would be significantly damaged. 2. Subject to investigation and further legal action taken against the Council. 3. Immediate inspection and Government intervention.	Jun-19	5	5	25	Treat	5	2	10	Implement Practice Improvement Plan (PIP). Improvement Plans include management development and HCC intervention. Provide proactive improvement support to services to assure effective safeguarding practices.	Executive Director of Children, Young People and Learning Executive Director of Children, Young People and Learning	Ongoing ongoing	Improvement activity continues to be embedded within the social work teams. The management assessment programme is now being implemented with all Service Leads being assessed by the end of January. The full programme of assessments was completed by mid-May 2021. Statutory performance continues to improve but there is still inconsistency across the service. The service continues to work with our improvement partners (HCC) to deliver ongoing improvement activity across children's social care. The service remains under close scrutiny from the independent Improvement Board and the statutory regulator, Ofsted. All improvement activity is overseen and supported by the dedicated Practice Improvement team who report regularly to DLT and the Improvement Board. We continue to revise and improve practice guidance, policy and practice on an ongoing basis. Areas of further development have been identified from the latest Ofsted focused visit and they form a focus for the next phase of the improvement work.	5	3	15	Apr-22
CR65	The review of corporate leadership, governance and culture recommended in the Children's Commissioner's report is not fully undertaken or effectively implemented leading to a lack of necessary improvement and further service failures or external intervention.	Chief Executive	1. Service failure 2. External intervention 3. Poor value for money	Dec-19	5	4	20	Tolerate	3	1	3	Develop plan to stabilise senior leadership team. Engage with external partners (including LGA) to scope and deliver Leadership development for Cabinet and Senior Officers. Implementation of governance changes as approved by Council (17.12.19)	Chief Executive Director of Law & Assurance Director of Law & Assurance	complete complete complete	Stable team - final leadership posts now filled Plan completed and delivered. Some follow up work to embed underway Completed those for immediate or approved implementation to meet Council's decision and those post May 21 election also implemented.	3	1	3	Jul-22

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date		
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score			
CR69	If the council fail to make the necessary improvements to progress from the previous 'inadequate' rating, there is a risk that children's services will fail to deliver an acceptable provision to the community.	Executive Director of Children, Young People and Learning	1. A child is exposed to dangers which could cause harm.	Mar-20	5	5	25	Treat	5	2	10	Deliver Children First Improvement Plan.	Senior Improvement Lead	ongoing	The Children First Improvement Plan has been developed to incorporate three key pillars to ensure an improved level of service: Pillar 1 - Everyone knows 'what good looks like'; Pillar 2: Creating the right environment for good social work to flourish; Pillar 3 : Deliver an Improved Service Model. The programme is being implemented and is on target as outlined in the Transformation Programme summary.	5	3	15	Feb-22		
			2. Significant reputational damage.									Continue to work with Hants CC as a partner in practice to improve the breadth of children's service.			Executive Director of Children, Young People and Learning					ongoing	The phase 2 workstream improvement action plan, which is jointly developed by WSCC and HCC is being progressed. Regular steering group to track and monitor progress and report into the into Improvement Board.
			3. Reduced confidence by residents in the Councils ability to run children's services.									Implement the Children First Service transformation model			Children First Transformation Director					ongoing	Family Safeguarding model redesign to ensure practice improvements are sustainable and embedded to provide a good level of service is being progressed and is meeting its milestones for implementation.
			4. Legal implications through non-compliance or negligence.																		
CR72	The government have stipulated that from 9 Sep 2021 children in care under 16 will not be allowed to be accommodated in unregulated placements. This has strengthened existing regulations that stipulate that all children and young people who require residential care must be placed within registered children's homes. Due to a local and nationwide shortage of registered provision there is a risk that these children and young people will not be cared for in settings that best meet their needs, which could lead to safeguarding concerns and enforcement action against the providers of unregistered homes and local authorities.	Executive Director of Children, Young People and Learning	1. Unable to meet primary needs of children we care for.	Aug-21	4	5	20	Treat	4	2	8	Develop and publish a market position statement to be sent out to care providers and other LA's to engage them in placements and requirements, in line with the needs of children.	Assistant Director – Corporate Parenting	Mar-22		4	4	16	Apr-22		
			2. Not fulfilling statutory duties to place children in appropriate care settings.									Conduct an annual review and update of the placement sufficiency and commissioning strategy, in line with the market position statement.			Assistant Director – Corporate Parenting					ongoing	
			3. Adverse media coverage.									Escalate to Assistant Directors and Exec Director any situation where a child or young person is at risk of being without a registered provision when they require one.			Heads of Service					ongoing	
			4. Damage to the reputation and credibility of the council.																		
			5. Children experience a lack of security, stability and support.																		
			6. Critical findings by regulators i.e. impact on Children First Improvement Plan.																		
			7. Legal action taken against the Council resulting in punitive penalties.																		

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Regulation, Audit and Accounts Committee**17 January 2022****Annual Governance Statement Action Plan 2020/21 Update****Report by Director of Law and Assurance**

Summary

The Committee agreed the Annual Governance Statement 2020/21 in November 2021, which included planned actions to address identified governance issues. Progress on the actions is shown in appendix A for the Committee to consider.

Recommendations

That the Action Plan update be noted.

Proposal**1 Background and context**

- 1.1 The Accounts and Audit Regulations require the publication of an Annual Governance Statement (AGS) by the County Council.
- 1.2 Corporate Governance is the system by which the County Council ensures and gives assurance that it is discharging its functions in the right way, in a timely and accountable manner.
- 1.3 The Annual Governance Statement 2020/21 was agreed by the Committee in November 2021 and was subsequently signed by the Leader and Chief Executive. The Statement contains a summary of required actions.

2 Proposal details

- 2.1 An update on progress against the Action Plan for 2020/21 is attached. The Committee is invited to consider this progress and whether it requires further detail on any particular action for a future meeting.

3 Other options considered (and reasons for not proposing)

- 3.1 Not applicable.

4 Consultation, engagement and advice

- 4.1 The external auditor was consulted on the draft Annual Governance Statement 20/21 and the auditor's comments were taken into account in the final version, which includes the items identified for the Action Plan.

5 Finance

5.1 Not applicable.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
There are risks from services failing to deliver the action plan	Individual directorates, the Executive Leadership Team and this Committee monitor progress against actions.

7 Policy alignment and compliance

7.1 The Statement is aligned with the Code of Corporate Governance.

Tony Kershaw

Director of Law and Assurance

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Appendices

Appendix A - Annual Governance Statement Action Plan 2020/21 update

Background papers

None

Annual Governance Statement 2020/21 Action Plan

The following actions to address significant governance issues have been agreed and updates will be provided during 2021/22.

Principle A

Action	Action Owner	Deadline	Updates
To ensure full implementation of officer interests and gifts	Director L&A	March 2022	New advice and guidance in preparation to Directors to reinforce current requirements to have completed records in place by end of March.
To complete the implementation of agreed workstreams and proposals from the good governance review.	Chief Executive	March 2022	Code of Corporate Governance scheduled for February meeting of Governance Committee. Parallel officer guidance due to be disseminated and linked to refreshed officer training on governance.
To review the scheme of delegation as part of the good governance review	Director L&A	March 2022	Under preparation in Directorates. Due for completion to align with revisions to officer structure.

Principle B

Action	Action Owner	Deadline	Updates
Implement actions arising from the Good Governance Review	Chief Executive	March 2022	Code of Corporate Governance scheduled for February meeting of Governance Committee.
Implement relevant governance actions on openness, culture and collaborative working from Improvement Plan for FRS	CFO	March 2022	WSFRS has introduced a Core Behaviour & Standards Framework and a new Core Code of Ethics and Dignity & Respect Framework. Our engagement strategy means we seek regular feedback from staff in a number of ways including surveys, listening groups, Shadow Board and Service Executive Board Open

Action	Action Owner	Deadline	Updates
			<p>Chair. Fairness and diversity have been further prioritised through the appointment of a Diversity & Inclusion Manager, the introduction of a Diversity & Inclusion steering group and Champions.</p> <p>WSFRS has a long history of excellent partnership working to help us achieve our organisational goals. We particularly work closely with Kent, Surrey and East Sussex fire services through our collaboration with 4Fire partners across various workstreams.</p> <p>We also work closely with our partners within West Sussex, for example, the Safer West Sussex Partnership which brings together Community Safety Partnerships and other organisations to provide a co-ordinated approach to reducing crime and anti-social behaviour in the county. The Service has just been inspected by Her Majesty’s Inspectorate for Constabulary and Fire & Rescue Service with the results due to be published in Spring 2022.</p>
<p>Implement actions from the Children First Improvement Plan relating to partnership working</p>	<p>Executive Director CS</p>	<p>March 2022</p>	<ul style="list-style-type: none"> • The following key strategic partnership Boards and monitoring have been maintained and well attended by the Council and partners; <ul style="list-style-type: none"> ○ Commissioner’s Improvement Board ○ Children First Board established as partnership sub-group of Health & Wellbeing Board ○ Safeguarding Children Partnership • Improvement Partner (HCC) Workstreams has been included in the PIP to reflect the joint (WSCC &

Action	Action Owner	Deadline	Updates
			<p>Hampshire County Council) work to deliver the required partnership improvements</p> <ul style="list-style-type: none"> • Specific areas of the PIP, such as Ofsted Recommendation 1 related to wider partnership working, are being delivered as part of the wider Transformation Programme (e.g.: the implementation of the Family Early Help & Safeguarding Model) • In line with the <i>Children's First</i> vision; the child's voice is considered and evidenced within all the work undertaken within the plan • Success measures are evidenced in highlight and progress reports presented to the relevant strategic boards
Complete project on partnership and community engagement arrangements as part of good governance review	Director of Communities	March 2022	Cross Council work ongoing, plans for partnership event being developed.
Complete work on equality impact assessment in decision making	Director L&A	March 2022	Incorporated into new guidance for officers on Council governance. To be supported further through political management/decision-making training for CMT.
Complete promotion and training linked to revised whistleblowing policy.	Director L&A	March 2022	To be included in dissemination of new officer guidance on governance.
Implement final proposals and actions from review of scrutiny and learning from good governance review	Director L&A	March 2022	Completed. All revisions to Constitution in place. Internal system of meetings to review effectiveness of new arrangements in place.

Principle C

Action	Action Owner	Deadline	Updates
Complete arrangements for monitoring and reporting corporate performance relating to Our Council Plan priorities	Chief Executive	March 2022	Complete. The quarterly Performance and Resources Report is now operating, a public document, scrutinised by committees and reported to public Cabinet to support detailed reporting and monitoring of corporate performance.
Implement plans for member roles in performance management arrangements	Director L&A & Director F&SS	March 2022	Performance management including KPIs, finance and risk are reported quarterly to Cabinet and the relevant scrutiny committee.
Completion of governance for climate change strategy	Director of Environment & Public Protection	March 2022	Internal Climate Change Board Established under Chairmanship of Exec Director Place in 2020. First revision of 2020 Climate Change Strategy (CCS) underway with wide internal input. Principles due for consideration by ELT on 23/12/21 prior to draft revision for member consideration in Q4 21/22. Internal audit review of current CCS (to assess how the key aims of the CCS are being embedded into day-to-day practice and decision making across the Council) is scheduled to commence on 11/1/22 and report by 4/3/22.
Develop arrangements for reporting and monitoring output from the new Economic Strategy	Executive Director Place	March 2022	Headline key performance indicators are reported through the quarterly Performance and Resources Report.

Action	Action Owner	Deadline	Updates
			<p>Additional Key Performance Indicators are reported through service business plans</p> <p>Scrutiny reviews progress as part of its programme (e.g. Growth Deals report to the Performance and Finance Scrutiny Committee in Dec 2021)</p>

Principle D

Action	Action Owner	Deadline	Updates
Children's Improvement Plan implementation	Executive Director CS	March 2022	<ul style="list-style-type: none"> • Improvement Board – The Council has furnished Commissioner, with the evidence required for his report to the Minister with a recommendation that the Children's Trust Direction to be removed. The Commissioner is satisfied with the progress that the Council and the service has made over the last twelve months. • All workstreams in the Practice Improvement Plan (PIP) have been progressed as planned and in accordance with the criteria set out by the Commissioner. • All areas of the PIP are considered for financial sustainability at the bi-monthly practice improvement forum • Covid-19: The service has maintained good staffing levels and service disruption has been kept to a minimum. • Two Ofsted Monitoring Visits have been successfully completed (May 2021 and September 2021).

Action	Action Owner	Deadline	Updates
			<ul style="list-style-type: none"> • Workforce capacity, safety and morale remain strong, with good management support, including enhanced staff supervision. • Level of demand and performance measures remain stable. • Programme of staff training and management development completed successfully as planned during 2021.
Fire and Rescue Improvement Plan implementation	CFO	March 2022	<p>We have aligned our Performance Assurance Framework (PAF) core measures to our CRMP, which is scrutinised by the Strategic Performance Board and through a dedicated FRS Scrutiny Committee. The Organisational Assurance & Governance (OAG) team support, facilitate and manage the internal assurance and governance process, programme and project management solutions and strategic analysis.</p> <p>We have a new IT system for performance monitoring (PowerBi) and an updated prevention and protection system (Farynor) introduced to assist local activity across the service through new Local Risk Management Plans (LRMPs).</p> <p>New, and flexible, ways of working have been introduced, both operationally (such as County Crewing and the Service Delivery Centre) as well as through the introduction of initiatives such as virtual meetings, interviews and learning and flexible / home working arrangements.</p>

Action	Action Owner	Deadline	Updates
			Further training in safeguarding and prevention with additional resources in both prevention and protection is helping to better target vulnerable homes and businesses for risk reduction activity. Operational policy is better aligned to national operational learning and guidance and our response strategy utilises a mixed crewing model to ensure deployment of resources against risk. This is all monitored through a Local Risk Management Plan Steering Group and the Performance Assurance Framework to ensure continued progress and improvement against the Services risk management plans.
Implementation of new corporate performance and business planning processes against the Council Plan	Chief Executive	March 2022	Complete. The quarterly Performance and Resources Report is now operating - a public document, scrutinised by committees and reported to public Cabinet to support detailed reporting and monitoring of corporate performance. Service/Departmental Business Planning now in the second year of preparation against the Council Plan priorities and linked to agreed performance measures.
Review of Officer executive Boards governance	Director L&A	March 2022	Underway - focus on Capital and Assets, Economy and Procurement Boards. All to be mapped for clarity. Included in internal officer guide to governance.
Review of capital governance arrangements	Director L&A & Director F&SS	March 2022	Underway as part of review of officer guide and in preparation of material related to budget for February 2022.

Principle E

Action	Action Owner	Deadline	Updates
Leadership skill development	Director HR & OD	March 2022	Management Development and Coaching Pathways launched on The Point. Roll out of Level 7 Apprenticeships in Leadership and Management.
People Framework roll out and implementation	Director HR & OD	March 2022	People Framework launched. Work continues to develop activities in support of each pillar.
Member skills development following good governance review and scrutiny review	Director L&A	March 2022	Member consultation underway. Member Development Group to review further once all analysis and feedback available.
Complete delivery of programme for member skills and knowledge post May 2021 election	Director L&A	March 2022	Complete save for remaining work on individual member training needs from needs assessment and after period of settling into roles.

Principle F

Action	Action Owner	Deadline	Updates
Finalise review and plans for corporate risk register oversight and monitoring in light of performance management changes.	Director F&SS	March 2022	The risk register has been incorporated into the Performance and Resources Report to enable the relevant scrutiny committee to comment the relevant risks. The process of risk management continues to be reported to RAAC at each meeting.
Refresh compliance and consistency in scheme of onward delegation from Directors	Director L&A	March 2022	Under preparation in Directorates. Due for completion to align with revisions to officer structure. New format for inward delegation in place.

Principle G

Action	Action Owner	Deadline	Updates
Internal audit recommendations for governance	Director L&A	March 2022	Being reviewed with internal audit to ensure full response and compliance with recommendations.

Key

CFO = Chief Fire Officer

Director F&SS = Director of Finance and Support Services

Director HR & OD = Director Human Resources and Organisational Development

Director L&A = Director of Law and Assurance

Executive Director CS = Executive Director Children, Families and Learning

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