



South
Derbyshire
District Council



ANNUAL GOVERNANCE STATEMENT 2023/24

1. Background and Scope of Responsibility

Welcome to the Council's Annual Governance Statement for 2023/24.

As a public authority, the Council is responsible for ensuring that its business:

- Is conducted in accordance with the law;
- Operates to the highest standards in public life; and
- Accounts for public resources in an open and transparent manner.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions and services are delivered and to achieve value for money for the Taxpayer.

To meet these objectives, the Council is expected to have the highest possible governance arrangements in place.

Governance is about how the Council runs its business and it underpins everything that the Council undertakes. Without robust arrangements, there is a greater risk that failures will occur.

Satisfactory corporate governance is essential in demonstrating that there is credibility and confidence in public services.

In discharging the overall responsibility the Council is responsible for putting into place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has an approved Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Satisfactory Governance in Local Government' 2016. The Code sits within the Council's Constitution: [40 Local Code of Corporate Governance](#) and was last reviewed in June 2023: [Local Code of Corporate Governance Review and is next due to be reviewed in June 2024.](#)

This Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015.

The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Satisfactory Governance in Local Government.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is controlled. It outlines how the Council directs its activities as well as how it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The Governance Framework

Our vision, priorities and values

The Council's vision, priorities and values are set out in the Council Plan 2024 - 2028, which was adopted by Council on 11 April 2024.

The Council's vision is to 'work together to shape our environment, drive our economy and support our communities'.

The Council's priorities reflect the overall vision and will be delivered via a series of key aims.

Our priorities are:

- Shape our Environment – A sustainable future adapting to and mitigating climate change to deliver our net zero commitments so that future generations can thrive.
- Drive our Economy – A thriving economy and place that has jobs, skills, education, infrastructure, and opportunity.
- Support our Communities – People and communities are supported to live safely, healthily and independently.
- Transform our Council – Providing modernised, high performing, value for money and customer focussed services.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values will be integrated into our performance staff development and appraisal programmes.

There are seven values in total:

- **Working together:** Working as a team to serve our residents.
- **Accountability:** Taking ownership of the service that we deliver.
- **Respect:** We value and listen to each other.
- **Requiring Improvement:** Offering equal opportunities for all.
- **Being Responsive:** We have a 'can do' attitude and respond to the needs of others quickly, positively and appropriately.
- **Innovative:** Looking for new solutions.
- **Excellence:** Delivering our services to the highest possible standards

The key elements of our governance framework

South Derbyshire has retained a committee system governance model. Most UK local authorities now operate using a cabinet system where a group of Members have been given the power to make the majority of decisions on behalf of their Council.

The benefits of retaining the committee system are that all Members are able to sit on a range of decision-making committees and every member has a vote that counts.

This is the cornerstone of the Council's governance – Members are not marginalised in decision making. All decisions are debated and made during open committee in full public view. Closed sessions, for instance where commercially sensitive matters need to be discussed, are kept to a minimum.

In addition to the statutory committees that deal with planning and licensing, the Council has three main policy committees:

- Finance and Management Committee
- Environmental and Development Services Committee
- Housing and Community Services Committee

The audit function is spread across the Finance and Management Committee and the Audit-Sub Committee, which is responsible for some elements relating to internal and external audit and risk management.

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and our management teams each play an important role in the governance framework.

The Leadership team comprises of the Chief Executive and four Executive Directors.

During 2023/24, a review of the Council's management structure was undertaken. The final structure was agreed and implemented from 1 May 2024. Changes were made to Director level roles and reporting lines of Heads of Service. Four new Assistant Director posts were also created. At the time of writing this Annual Governance Statement, there remains one Executive Director vacancy and all of the Assistant Director posts are expected to be filled by September 2024.

The Leadership Team meet fortnightly and meetings are programmed as a series of themed sessions to focus individually on either business as usual, strategic issues, projects and programmes and organisational health. The Leadership Team meetings are managed via a forward plan and regular away days are scheduled to ensure time is allowed for strategic planning.

The Leadership Team meet with Heads of Service on a bi-monthly basis. These meetings cover a range of current matters, depending on circumstances and issues needing attention at the time and also represent a key time for undertaking corporate training across the different tiers of the Council's leadership and management.

Role of the Council

The role of Council is set out in the Council's Constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

Role of Statutory Officers

The Council's Statutory Officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Executive Director – Law and People) and the Section 151 Officer (Executive Director – Resources and Transformation) fulfil the statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly.

The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Constitution of the Council is subject to a continuous review process which sets out matters reserved to Council and Committees for decision; all other decisions are delegated to Officers. Elements of the Constitution were reviewed during 2023/24 and the amendments approved by Council in May 2024.

Role of Committees

The Council's Constitution sets out the responsibilities for functions of each of its Committees, including:

- Licencing and Appeals Committee
- Housing and Community Services Committee
- Planning Committee
- Environmental and Development Services Committee
- Finance and Management Committee
- Audit Sub-Committee

Responsibility for audit, risk and internal control

The responsibility for audit, risk and internal control is split across the Finance and Management Committee and the Audit Sub-Committee.

The Audit Sub-Committee meets the external auditor to discuss findings in the Annual Audit Management Letter and reports.

Role of Overview and Scrutiny

The Overview and Scrutiny Committee carries out the Council's Scrutiny function.

The Committee develops its annual work programme in line with Article 6 of the Constitution and can "call in" a decision which has been made by a policy committee but not yet implemented, to enable them to consider whether the decision is appropriate.

Risk Management

The overall objective of the Council's risk management strategy is the identification, analysis, management and financial control of

those risks which can most impact on the Council's ability to pursue its approved delivery plan.

The current Risk Management Framework was last reviewed in 2023 and sets out how the Council will actively avoid risk and manage the reporting of risk across the three main policy committees.

In March 2024, the Council's External Auditor, EY LLP, presented their interim Value for Money report findings as part of an audit progress update report to the Audit Sub-Committee. The auditor identified within this report that the Council should evaluate whether the current risk management structure delivers efficient and effective risk management, and whether it is clear what the most strategic risks are to the organisation as well as what committees those risks should be received by.

At the time of writing this report, the Section 151 Officer is concluding this review, and a revised Risk Management Framework is due to be presented to the Finance and Management Committee for approval in 2024/25.

Role of Internal Audit

The Council has a Public Sector Internal Audit Standards (PSIAS) compliant Internal Audit via the Central Midlands Audit Partnership (CMAP). The Internal Auditor is

responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual work plan, progress against which is reviewed each quarter by the Audit Sub-Committee.

In 2023/24 the reporting process was modified so that each internal audit report is submitted to the relevant officer and Executive Director as well as the Section 151 Officer, Monitoring Officer and Chief Executive. The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation. Progress against recommendations is followed up by Internal Audit and reported to Audit Sub-Committee on a quarterly basis throughout the year.

The Internal Audit Report 2023/24 is due to be considered by the Audit Sub-Committee at its meeting on 12 June 2024.

The Audit Manager intends on issuing the opinion that there is a "satisfactory system of governance, risk, internal control" meaning that findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

The opinion is based on the following, which has been extracted from the Audit Manager's report:

- *The level of coverage provided by Internal Audit was considered adequate.*
- *Work has been planned and performed so as to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the organisation's control environment is operating effectively.*
- *The changing risk environment within the Council has been taken into account during the 2023-24 financial year.*
- *Our insight gained from our interactions with Senior Management and the Audit Sub-Committee.*
- *Changes at a Senior Management level have inevitably resulted in changes to the organisation's Governance arrangements. Much of the proposed changes to the management structure and constitution are still in their early stages, therefore it would be premature to pass judgement on their effectiveness. But it is pleasing to note that Senior Management has openly engaged and consulted with Internal Audit on all significant changes that potentially affect the organisation's framework of governance, risk management and control.*
- *The Council's External Auditor had recently questioned whether the Council's current risk management structure delivered efficient and effective risk management, and whether it was clear what the most strategic risks were to the organisation. At the time of writing this*

report, the Section 151 Officer was concluding a review of the Council's Risk Management Framework, and this revised framework was due to be presented to the Finance and Management Committee for approval in 2024-25. We have a Risk Management audit scheduled in the 2024-25 Internal Audit Plan.

- In my 2021-22 Audit Opinion Report, brought the Council's Audit Sub-Committee on 22nd June 2022, I raised the following significant risk finding:

"The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000".

This issue came to attention of the External Auditor as part of their review work undertaken during 2023-24. They concluded that there was no evidence that the full budgets were received by Council. As a result, in the External Auditor's interim Value for Money report, they have detailed that they expect to report on an exception basis that there is an identified significant weakness in the budget setting process for the 2022-23 and 2023-24 years and in years prior to that.

- The Council's self-assessment against the new Consumer Standards for Social

Housing and the knowledge that a self-referral has been made to the Regulator for Social Housing, along with a request for a 12-month extension for the Housing Service to meet the new standards. Internal Audit has also been asked to undertake consultancy work to examine the governance arrangements that led to this scenario, but this is in its very early stages and has not arrived at any conclusions at this time.

- *Being made aware that the Council may have employed agency staff from a supplier, outside of the Council's process (use of designated framework) and outside of contract (breach of CPRs) since 2018-19. The initial report has identified that this spend is material in value over this period and on an annual basis. Internal Audit is currently awaiting confirmation of the detailed spend with agencies before determining what further internal audit work will be undertaken in this area.*
- *The only outstanding issue that has potentially adverse implications for the Authority's Annual Governance Statement related to a significant issue regarding the Procurement service. This matter is due to be addressed with the re-tender of the Procurement Service later this year, along with a review of the organisational requirements in respect of procurement support.*
- *The 2023-24 Internal Audit Plan, approved by the Audit Sub-Committee,*

8th March 2023, was informed by internal audit's own assessment of risk and materiality in addition to consultation with Senior Management to ensure it aligned to the organisation's key risks and objectives. Changes to this Audit Plan have been reported to the Audit Sub-Committee throughout the year.

A copy of the full report from the Audit Manager can be found in the published papers for the Audit Sub-Committee for its meeting on 12 June 2024.

The Role of External Audit

Mazars LLP has been appointed by the Public Sector Audit Appointments (PSAA) as the Council's external auditor for 2023/24. The auditor's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities.

External audit provide an opinion on the Council's financial statements and conclude on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (value for money conclusion).

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system in the UK, supporting Satisfactory decision making, effective planning, informed decision making and ensuring transparency and accountability to local taxpayers.

In the years since 2017/18, where the deadline for issuing audit opinions was brought forward from 30 September to 31 July, there has been a reduction in the number of local government audit opinions delivered on time. This downward trend accelerated during the COVID-19 pandemic and as of 31 December 2023, the backlog of outstanding audit opinions stood at 771.

The Council’s draft statement of accounts for 2021/22 and 2022/23 were published on 8 September 2022 and 14 July 2023 and remain unaudited.

At the 6 March 2024 meeting of the Audit Sub-Committee, the Council’s External Auditor for the 2021/22 and 2022/23 years advised in the audit progress update report that as a result of the system wide implementation of backstop dates it is likely that the outcome will be that a disclaimer of opinion is issued on the Council’s 2021/22 and 2022/23 financial statements. EY LLP advised that the proposed disclaimer/qualification of the Council’s 2021/22 and 2022/23 accounts would likely impact the audit procedures needed to gain assurance on the 2023/24 financial statements and the form of audit report in 2023/24 and subsequent years during

the recovery phase. At the time of writing this Annual Governance Statement, the “Addressing the local audit backlog in England consultation has not been responded to by government or local government system audit partners, since consultation closed in March 2024.

How we comply with the CIPFA/SOLACE framework

The below sets out the CIPFA/ SOLACE Framework principles and what each of these mean broadly.

The Principles	What this means
Principle A: Behaving with integrity	Elected Members and Council Officers acting in accordance with national standards regarding Public Office.
Principle B: Engaging with stakeholders	Keeping residents, businesses and other interested parties, etc. informed and seeking feedback through consultation.
Principle C: Setting clear objectives	Having medium term business and financial plans in place that provide for the sustainability and development of services.
Principle D: Having positive interventions	The detailed policies and procedures, such as terms of reference for decision-making, a change management process and an annual budget, etc. which ensure that objectives are met.
Principle E: Leadership and capacity	Clear direction from senior management and that adequate, trained and empowered staff are in place to deliver services.
Principle F: Managing	Having robust internal control and strong financial management to ensure that risk is mitigated, data is

risks and performance	secure, and performance is regularly monitored.
Principle G: Satisfactory reporting and transparency	Assigning clear accountability and reporting lines, allowing access to information and reporting performance on a regular basis.

The following sections list the key elements of the systems and processes that comprise the Council’s governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/ SOLACE Framework - Delivering Satisfactory Governance in Local Government.

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

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council has a Members’ Code of Conduct, Planning Code of Satisfactory Practice, Licensing Protocol and Procedure and Citizens’ Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance.

The Council has robust arrangements for monitoring compliance with the Member Code of Conduct (including gifts and hospitality). The Officer Register of Gifts and Hospitality is regularly overseen by the Monitoring Officer as well as the Member Registers of Disclosable Pecuniary Interests.

The Head of Paid Service, Section 151 Officer and Monitoring Officer meet regularly as a Statutory Officers Group. Their work includes monitoring compliance with standards of conduct across the Council, including both officers and Members. The Council is in the process of implementing the draft Code of Practice on Satisfactory Governance for Statutory Officers. This Code was developed jointly by SOLACE, CIPFA and Lawyers in Local Government (LLG) and was out to consultation in March 2024.

The Council's Whistleblowing Policy includes Members, contractors, suppliers and service providers and people working in partnership with the Council (e.g. volunteers). All reports received under the policy are investigated thoroughly; the procedure is outline for transparency.

The Members Code of Conduct sets out the standards of conduct expected and assists Members in the exercise of their duties. The Code sets out the principles (Nolan Principles) Members should abide as public office holders.

The Employee Code of Conduct clarifies the standards of conduct and behaviours expected of Local Government employees.

The Council's Ethics Statement forms part of the Council's Constitution and sets out the standards of ethical behaviour expected; it also incorporates the Nolan principles.

The Council's Conflict of Interests policy forms part of the Council's Constitution and is a guide for both Members and officers.

The new Council Plan includes a new set of values which complement the Nolan principles. These values will be monitored with officers through the Performance and Development Review (PDR) process.

The Council has an appointed Health and Safety Officer. Corporate Health and Safety matters are considered by the Health and Safety Committee, which includes two Elected Member representatives to ensure compliance with the Health and Safety at Work Act 1974, and other relevant legislation.

The Council actively ensures its decisions are Requiring Improvement and accessible on a consistent basis. Corporate consideration of issues around compliance with the Equality Act 2010 are supported by the Equality, Diversity and Inclusion Steering Group.

Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function

The "Monitoring Officer" function is carried out by the Executive Director – Law and People, who reports to the Chief Executive.

The Monitoring Officer's role was repositioned in the Council from Head of Service to Executive Director as part of the management structure implemented on 1 May 2024.

The Head of Legal and Democratic Services who has responsibility for legal matters and is also the Deputy Monitoring Officer reports to the Executive Director – Law and People.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The audit as based on the guidance set out in the CIPFA/SOLACE 'External Audit in Delivering Satisfactory Governance in Local Government: Framework', which identifies best practice in relation to roles and responsibilities, are currently delivered via a dual model and across the Finance and Management Committee and Audit Sub-Committee. Both Committees meets quarterly. The Audit Sub-Committee receives regular reports from both the Section 151 Officer, the Internal Auditor and the External Auditor. Arrangements are in place for the both internal and external audit to report independently to the Audit Sub-Committee should it deemed appropriate to do so.

During 2023/24, the Audit-Sub Committee undertook a review of the committee current arrangements against the CIPFA/SOLACE 'External Audit in Delivering Satisfactory Governance in Local Government: Framework'. At the time of writing this report, it is intended that the findings are reported to

the Audit Sub-Committee and Finance and Management Committee in June 2024. In summary, the Audit Sub-Committee identified some areas where the arrangements do not comply with CIPFA guidance.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two of the Council's statutory officers, the Section 151 Officer and the Monitoring Officer, have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Audit Manager who provides assurance on matters of internal financial control.

Corporate governance issues identified that are relevant to 2023/24

For the 2023/24 year, three areas of corporate governance were identified as not meeting an acceptable level and requiring significant improvement.

Budget setting approval processes

The first of these relates to the approval process for the budget in 2021/22 and 2022/23.

In March 2024 the external auditor for the 2022/23 and 2023/24 year, EY LLP Ltd, identified a risk of significant weakness for 2021/22 and 2022/23 as part of the interim Value for Money report, presented to the Audit Sub-Committee on

6 March 2024. In this report, they detailed that they expect to report on an exception basis that there is an identified significant weakness in the budget setting process for the 2022/23 and 2023/24 years and prior to that also.

This significant weakness relates to a previous internal audit significant risk finding where they concluded in 2021/22 that "The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000". From the review work undertaken by the external auditor during 2023/24, it was concluded that there was no evidence that the full budgets were received by Council.

At the time of writing this report, the external auditor is yet to issue their final report, but it is anticipated that the Annual Governance Statement relevant to each of these prior years, will be required to be updated with details of the significant weakness in the budget approval process.

The initial findings were accepted by management as part of the external auditors interim report to the Audit Sub-Committee on 6 March 2024.

The weakness had been addressed in full for the 2023/24 year (affecting the 2024/25 budget).

The final report from the external auditor is expected to be presented to the Audit Sub-Committee in the coming months.

Agency staffing spend outside of contract

As a result of a routine procurement spend analysis, a material level of agency spend with recruitment agencies, since 2019, was identified as being potentially non-compliant. The source of the non-compliance was because the agency businesses in question were not party to the currently mandated CCS Framework RM6277, (or the previous framework RM6160) utilised by the Council for temporary staffing.

Initial analysis deemed spend to be non-compliant and further analysis work was undertaken to understand whether the agencies used to engage these resources were contracted via any alternative public sector frameworks or whether these were "direct contracts". Work was also undertaken to understand whether any of the arrangements deemed non-compliant were still active, with live staffing assignments.

Actions taken following the identification of this issue have been led by the Section 151 Officer and have included engaging the Internal Auditor to undertake further investigation, engagement with the Council's outgoing and current External Auditors EY LLP and Mazars LLP and communications with Heads of Service to ensure the correct processes are understood going forward.

Further work is already scheduled for the Internal Auditor to undertake additional spend analysis

across all categories of spend to identify any further areas that have or are operating outside of contracts.

The identification of this non-compliance spend issue is as a result of the additional enhanced focus of the organisation on procurement. Improvements already taken forward in regard of procurement and contract management, include:

- In January 2024, the Executive Director – Resources and Transformation established a new “Spend Matters” corporate action team, consisting of cross-organisational officers who meet on a regular basis to identify and support continuous improvement in procurement and contract management.
- In February 2024, the Council approved new budget provision for the creation of a new Procurement Lead post, to act as lead officer on procurement and contract management within the organisation.
- In May 2024,, the council amended the procurement thresholds to enable effective procurement and remove barriers to engaging low-value suppliers.
- During early 2024, the Council commenced ongoing negotiations with a neighboring local authority for a strategic alignment for the procurement service, to achieve economies of scale through shared procurements.
- As part of developing the Council Plan and service plans for 2024/25, new processes

were designed to ensure services could effectively plan their procurements in advance which in turn has enabled the development of a new Procurement Plan.

- As outlined above, areas of non-compliance have been identified by new resource in this area further data analysis exercises are underway to ensure spend is compliant with procurement regulations and that arrangements represent the most value for money solution.
- A number of key contracts have been tested and reprocured during 2023/24, including leisure services and housing repairs.

Plans are currently underway to overhaul the council’s procurement and contract management approach, which build on the significant progress made in the past year.

Additionally, a programme of further improvements is currently being finalised, following approval of the Medium Term Financial Strategy and commitment to deliver £1.44 million of new and additional income and expenditure savings over the next five years.

Actions going forward include:

- Procuring and mobilising a new shared service provider alongside a new internal structure for procurement.
- Further reviewing our contract procedure rules to ensure they are streamlined and

enable effective achievement of procurement exercises.

- Training all of our procuring officers on organisational requirements and the new Public Contract Regulations.

Self-referral to the Social Housing Regulator for non-compliance with the Housing Consumer Standards

In April 2024, the Council resolved to advise the Regulator for Social Housing of the outcome of the Council’s self-assessment against the Housing Consumer Standards.

The self-assessment demonstrated that the Housing Service have not be able to meet all the requirements of the new Consumer Standards by their effective date of 1 April 2024. The main areas of non-compliance is predominantly related to not having up to date stock condition surveys, making it difficult to determine the current condition and safety of the stock on a property-by-property basis. In addition, tenant engagement activities have decreased, and tenants are not as involved in the Council’s landlord responsibilities, and associated management of its council housing.

Council also resolved to request a 12-month extension from the regulator to meet the standards and to form a Housing Services Working Group to develop a Performance Improvement Plan.

At the time of writing this statement, dialogue with the Social Housing Regulator has commenced.

The full report to Council can be found here: [Housing Consumer Standards, Council, 11 April 2024.](#)

Whistle-blowing and for receiving and investigating complaints from the public

The Council has in place appropriate Whistleblowing policies and procedures which are regularly reviewed and updated where required.

Staff are aware of the Whistleblowing policy through the council's intranet and as an integral part of the induction process for new starters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from customers and residents.

The Finance and Management Committee have oversight of the complaints process and receive quarterly reports from the Head of Customer Services.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication. Internally, we communicate with staff via team meetings, the intranet, blogs and Chief Executive's Colleague Briefings for staff.

During 2023/24, the Council engaged in a number of consultations.

Statutory consultation on the 2024/25 budget was extended to undergo significant public

consultation via the Council's website and social media channels, in addition to engaging with the business community and parish councils via letter and the South Derbyshire Partnership meeting and Area Forums. Public engagement was high and all comments on proposals were presented to members via the budget approval process at Finance and Management Committee and Council in February 2024.

Public and far reaching consultation was also undertaken on the proposed Customer Access Strategy during the year. A third sector partner of the Councils, CVS were engaged to undertake this on the Council's behalf.

Wide consultation with residents, business and third and public sector partners was also undertaken during the year on the new Council Plan 2024-2028.

A new Communications and Engagement Strategy will be developed going forward to set out the Council's approach to ensuring openness and stakeholder engagement.

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

Incorporating Satisfactory governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk.

The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

The Council's principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.

The Partnership works to a set of shared priorities which are designed to improve the local environment, economy and health of local people.

The Partnership is properly constituted and governed by a Board which monitors progress against agreed actions, together with the use of resources, with the Council taking a key role.

Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council is a partner in Derbyshire Resilience Partnership (DRP). All Councils at County, Unitary and District levels, along with other public sector agencies including Derbyshire Fire and Rescue, Derbyshire Police, East Midlands Ambulance Service and the Environment Agency are members of the Partnership to bring together emergency management resources to prepare for and respond

to civil emergencies within the Derby and Derbyshire area. The Executive Director – Environment and Communities is the Council’s representative on the DRP Strategic Meeting.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Council Plan and Medium-Term Financial Strategy detail how we have planned all our resources, both financial and staffing to deliver against our priorities.

The Council’s performance management arrangements include the planning process which reflects all of the council’s aims and objectives and aims to better align activities, improvements and resources.

The Council Plan was monitored throughout the year by management and relevant policy committee on a quarterly basis.

Profiled financial monitoring reports are produced, which also project the outturn, after month end. These are reviewed by all budget holders on a monthly basis. Financial performance is reported to the Finance and Management Committee on a quarterly basis.

During the year, a review of the Planning Service was undertaken, following it being identified that there was a significant backlog of planning applications and ongoing high level of complaints from customers. This review has now concluded and a proposal for additional

resources for the Planning Service are due for consideration during Quarter 1 2024/25.

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their respective roles in the organisation. Induction processes are in place for both Members and officers, and have been developed to deal with relevant core issues.

The Council is committed to creating an environment where Elected Members’ skills can develop and thrive with regular courses being delivered. Development of Committee Chairs is tailored to individuals and supported by Committee Leadership Team leads.

An annual PDR is undertaken for all officers, which includes the identification of training and development needs.

We are currently developing a new People Strategy that will enable the Council to become the local ‘Employer of Choice’. We are working towards presenting this strategy for approval in early Autumn 2024.

During 2023/24 we have brought forward the revision of a number of HR related policies. There remains a backlog of HR policies that will be dealt with in early 2024/25.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values will be integrated into our performance staff development and appraisal programmes

During 2023/24, work was undertaken to clear a significant backlog of outstanding and historic internal audit recommendations.

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

The Overview and Scrutiny Committee carry out the Council’s scrutiny function.

The writing of formal reports follows a prescribed procedure which requires the completion of a number of procedural requirements for content, including Statutory Officer checks for legality, budgetary compliance, rationale and risk. Reasons for all decisions must be given and these are recorded in the minutes.

The Member and Officer Codes of Conduct and associated procedures set out expected conduct and behaviour.

The Audit Sub-Committee together with the Finance and Management Committee undertake the functions of an audit committee as identified by CIPFA guidance, on a dual basis.

The Risk Management Framework was last reviewed in 2023 and is currently under review. Changes currently being scoped are based on initial feedback from the external auditor as set

out in their [report](#) to Audit Sub-Committee on 6 March 2024, which identified that the level of risks currently monitored across the organisation could impact on the ability of officers and members to give due regard or attention to the most strategic and significant risks.

As part of the council's Corporate Project Management Framework, all major projects have their own risk log. All reports going to members include the risk implications associated with the decision members are being asked to make.

The Council is committed to the effective use of IT and has an IT Security Policy which were reviewed during 2023/24.

The Council's 2023/24 Treasury Management Strategy Statement was approved by Council in February 2023, and risks are fully evaluated as part of this strategy.

Principle G – Implementing Satisfactory practices in transparency, reporting and audit to deliver effective accountability.

Ensuring the Authority's Financial Management Arrangements Conform With the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)

Formal arrangements are in place for the Section 151 Officer with a permanent employee appointed to this role. Adherence

to the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) continues.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function.

Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Audit Manager reports directly to the council's Audit Sub-Committee on all matters appertaining to audit outcomes.

The Audit Manager and the Section 151 Officer meet on a monthly basis to discuss and review governance and risk matters.

4. Propriety in the Conduct of Council Business

An indication of how well the Council is performing, is to review any propriety matters that arose in the year, i.e., how well does the Council, its Members and Officers behave compared to accepted standards, values and the rule of law.

An overview for is provided below.

- ✓ **Codes of Conduct:** no reported breaches
- ✓ **Register of Interests:** no issues raised
- ✓ **Whistleblowing:** no matters arose
- ✓ **ICT Security:** No major incidents reported.
- ✓ **Fraud and Corruption:** there were no reported incidents in the year, either internally or from external sources, against the Council.

Reportable Incidents

<p style="text-align: center;">Complaints to the Local Government and Social Care Ombudsman</p> <p>At the time of publishing this Annual Governance Statement, we are awaiting the Ombudsman’s report .</p>	<p>However, we know that the Ombudsman’s Office made decisions on 15 complaints about the Council in 2023/24. All 15 of these complaints were closed after initial enquiries.</p>
<p style="text-align: center;">Health and Safety (H&S)</p> <p>There were 64 reportable incidents under H&S Regulations in the year April 2023 – April 2024 . ONE of them required further investigation by the HSE. Once the HSE had done their investigations no further actions were taken.</p>	<p>The Council undertook its own investigation in each case and updated procedures and training where this was necessary.</p>
<p style="text-align: center;">Data Protection</p> <p>On 4 July 2023, the Data Protection Officer reported an incident to the Information Commissioner’s Office (ICO) regarding a data breach which occurred via a third party organisation.</p>	<p>Upon notification of the incident the Council were in contact with the third party organisation to assess the situation. The third party had already reported to the ICO.</p>

<p>The breach concerned one person, though South Derbyshire District Council were not responsible for the breach.</p>	<p>South Derbyshire Council sent an email with an attachment to a third party organisation. The attachment contained personal information</p> <p>The third party then send the email in error to another third party .</p> <p>On the 26 July 2023, the ICO wrote to the Data Protection Officer. Based on the action taken in immediate response to the incident no further action was taken. The ICO noted the Council was not responsible for the breach.</p>
<p style="text-align: center;">Litigation</p> <p>A County Court monetary claim for approx. £46,000 has been issued against the Council for unpaid water supply invoices. The Claim is disputed and the matter has been adjourned for the parties to resolve.</p>	<p>In addition, there is a potential claim for the off site electricity charges which have erroneously been paid by a third party. The claim is assessed by the Council at approximately £60,000. The Council is negotiating with the third party.</p>

5. Effectiveness

Prior Year – 2022/23

The assurance review for 2022/23 identified no significant issues. Nine improvements were identified which are set out in the table below.

Three of the nine improvements remain outstanding and will now be captured and monitored as part of the improvements for 2023/24.

Full details of the review for the 2022/23 financial year can be found in the Assurance and Evidence document for 2022/23 which was published alongside the Annual Governance Statement.

The table below shows the actions from 2022/23 and their current status.

Table 1 – Areas of improvement identified during 2022/23 and current status

Improvement	CIPFA / SOLACE Principle	Owner	Status – May 2024
A new Councillor Code of Conduct based on a national model, is due to be implemented in May 2023.	Behaving with Integrity (P1)	Monitoring Officer	Implemented – adopted at Annual Council in May 2023.
To undertake and review outcomes from a staff survey.	Demonstrating Ethical Values (P1)	Head of Organisational Development	The employee survey was undertaken in Autumn 2023 and the results shared with staff and members in March 2024. The results are now being analysed within individual teams with employees, to develop an action plan and this will feature as part of the forthcoming People Strategy.
The existing Strategy is due for review in 2022/23.	Workforce Development Strategy (P5)	Head of Organisational Development	This strategy timetable has been rescheduled and is now due for approval in Autumn 2024. This actions has been carried forward into the area of improvement action plan, under reference AGS24-16.

Review of Effectiveness 2023/24

The Council has responsibility for conducting a review of its governance framework including the system of internal control.

The review is informed by the Internal Audit Annual Report, the work of the Audit Sub-Committee, the comments of external auditors and other review agencies and inspectorates, and the work of the Leadership Team who have responsibility for the development and maintenance of the internal control environment.

The review considers evidence identified to support where the Council meets the CIPFA/SOLACE guidance and sets this out in the Assurance Review and Evidence document. Governance areas are given an assessment scoring as follows:

- Satisfactory – Satisfactory governance exists and there are no improvements required
- Requiring Improvement – Satisfactory governance exists but improvements are required to meet Satisfactory governance
- Requiring Significant Improvement – Significant issues with governance exist which needs addressing.

Areas identified as requiring improvement or requiring significant improvement are reported within the annual governance statement and remedial actions are outlined. The Audit Sub-Committee will review on a quarterly basis the progress of remedial actions.

In total, there are 23 improvements identified as a result of the assurance review. Full details of the review can be found in the Assurance Review document for 2023/24 which is published alongside this Annual Governance Statement and can be found on pages 19 - 54 of this document.

The table below is an extract summary from the Assurance Review and includes details of the improvement areas identified. Based on learning around the timescales associated with implementing improvements, the table has been modified to show the likely timescale for implementation.

Corporate governance issues identified during 2023/24

As outlined on pages 8 - 9 above, three areas of the Council's corporate governance were identified as not meeting an acceptable level and requiring significant improvement during 2023/24. These were:

- The budget setting approval processes employed for years up to 2022/23 was identified to not be in line with the requirements of the Local Government Act. The weakness was identified by the external auditors during their audit work on the council's governance systems for 2021/22 and 2022/23. The weakness was addressed in full during 2023/24 and approval of the 2024/25 budget.
- Spend on temporary staffing identified as being outside of contract. Actions to ensure non-compliant spend is avoided in the future and to withdraw from live non-compliant temporary staffing arrangements are currently being implemented. Further investigation and analysis of all Council spend to identify any further areas of arrangements operating outside of contracts is also underway.
- The Council referred itself to the Social Housing Regulator for non-compliance with current Consumer Standards. An improvement programme is currently underway.

Full detail around these issues and mitigating actions being taken can be found on pages 8 – 9 above and actions are referenced in the assurance review and improvement actions.

Table 2 – Areas of improvement identified during 2023/24

Improvement	CIPFA / SOLACE Principle	Owner
AGS24-1 Embed new Council Values into and enhance the Council’s employee performance management framework (1/1, PDR)	A	E/D – Law and People
AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	A	E/D – Law and People
AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards and findings of internal Housing Services review.	A	E/D – Place and Prosperity
AGS24-4 Implement actions to address non-compliant spend on temporary staffing, including any further fundings of the internal or external auditor on this matter.	A	E/D – Resources and Transformation
AGS24-5 Implement findings of Planning review.	A	E/D – Place and Prosperity
AGS24-6 Develop internal process for dealing with governance failures.	A	E/D – Resources and Transformation
AGS24-7 Complete review of DPO resource and implement outcome	A	E/D – Resources and Transformation
AGS24–8 Develop and implement Communications and Engagement Strategy	B	E/D – Law and People
AGS24-9 Develop organisational approach to customer satisfaction surveys	B	E/D – Resources and Transformation
AGS24-10 Fully implement new performance management framework.	C	E/D – Resources and Transformation
AGS24-11 Fully implement new risk management framework.	C	E/D – Resources and Transformation
AGS24-12 Implement new approach to tenant engagement in Housing as part of Housing Service Improvement Working Group action plan.	D	E/D – Place and Prosperity
AGS24-13 Review of Constitution	D	E/D – Law and People
AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan	D	E/D – Resources and Transformation

Improvement	CIPFA / SOLACE Principle	Owner
AGS24-15 Develop organisational requirements for benchmarking of services.	E	E/D – Resources and Transformation
AGS24-16 Develop People Strategy	E	E/D – Law and People
AGS24-17 Define scope and timetable for future Corporate Peer Challenge	E	Chief Executive
AGS24-18 Review Council benefits package and need for Employee Assistance Programme as part of People Strategy	E	E/D – Law and People
AGS24-19 Internally publish service business continuity plans.	F	E/D – Environment and Communities
AGS24-20 Develop enhanced Overview and Scrutiny Committee Work Programme	F	E/D – Resources and Transformation
AGS24-21 Present findings of Audit Sub-Committee CIPFA self-assessment exercise	F	E/D – Resources and Transformation
AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code	F	E/D – Resources and Transformation
AGS24-23 Review finance team	F	E/D – Resources and Transformation

6. Overall opinion and conclusion

Conclusion

The Council is satisfied that appropriate governance arrangements are in place, or where it has identified that arrangements require improvement, it is taking the necessary actions to remediate.

The Council also remains committed to maintaining and continuously improving these arrangements. The Council will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

Signed



Councillor Dr Robert Pearson

Leader of the Council

31 May 2024

7. Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Corporate Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed



Dr Justin Ives

Chief Executive

31 May 2024

Assurance Review

2023/24

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

Supporting Principle 1: Behaving with Integrity

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for Improvement	Lead
1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	Satisfactory	<p>Constitution sets out separate Members and Employee Code of Conduct, Local Code of Corporate Governance, scheme of delegation and financial and contract procedure rules.</p> <p>Established complaints procedure.</p> <p>Member complaints procedure.</p> <p>Head of Paid Service, Monitoring Officer and s151 Officer posts filled on permanent basis.</p> <p>HR policies and procedures.</p> <p>Fraud policy framework in place.</p> <p>PDR system for employees.</p> <p>Standards and Ethics report taken to Audit Sub Committee regularly.</p> <p>Leadership Team and regular Heads of Service and Leadership Team meeting.</p> <p>New set of Council Values adopted during 2023/24, following consultation with employees, support behaving with integrity and acting in the public interest.</p>	None	The Council's Constitution will undergo review throughout 2024/25.	

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for improvement	Lead
2. Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values.	None	None	
3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Requiring Improvement	<p>Council Plan sets out 4 main overarching priorities, and committee report format requires confirmation of which priority is decisions support.</p> <p>Monitoring of performance and new corporate project approach structure aligned with Council Plan priorities.</p> <p>Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.</p>	None	AGS24-1 Embed new Council Values into and enhance the Council's employee performance management framework (1/1, PDR)	Executive Director – Law and People

<p>4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>Requiring Improvement</p>	<p>New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Other key values embedded across organisation, such as: Anti-fraud and corruption policy, register of interests and annual declaration of related parties, whistle blowing policy, complaints policy, members and officers code of conduct. Committee meeting minutes show declarations of interest were sought and appropriate declarations made.</p> <p>On processes - Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.</p>	<p>None</p>	<p>As per AGS24-1</p>	<p>As per AGS24-1</p>
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Supporting Principle 2: Demonstrating strong commitment to ethical values

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Seeking to establish, monitor and maintain the organisation's ethical standards and performance	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Standards and Ethics report taken to Audit Sub Committee regularly.	None	None	
2. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Requiring Improvement	Existing employee performance management framework in place, but plans for review. New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Values to be embedded into performance management framework – induction, 1/1's, PDRs etc. Further work to develop a Behaviours and Skills Framework and integrate into employee cycle (recruitment and selection to exit processes as part of forthcoming People Strategy, due for approval Autumn 2024.	None	As per AGS24-1 AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	As per AGS24-1 Executive Director – Law and People
3. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	Requiring Improvement	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. New Equality and Diversity Policy approved by F&MC April 2024. Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.	None	As per AGS24-1 As per AGS24-2	As per AGS24-1 As per AGS24-2

Further work to develop a Behaviours and Skills Framework and integrate into employee cycle (recruitment and selection to exit processes as part of forthcoming People Strategy, due for approval Autumn 2024.

4. Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Procurement exercises include assessment criteria around social value which is incorporate into contracts and subsequently monitored.	None	None
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Supporting Principle 3: Respecting the rule of law

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Requiring Significant Improvement	<p>Constitution is adhered to and reviewed regularly. Scheme of delegation aligned with laws and regulations. Statutory provisions are adhered to. Legal implications considered as part of decision making. Head of Paid Service, Monitoring Officer and s151 Officer in place. Monitoring Officer role part of Leadership Team.</p>	None	None	Executive Director – Place and Prosperity
		<p>As detailed above on pages 8 - 9, corporate governance related weaknesses have been identified during 2023/24.</p> <p>This included identification of non-compliance with relevant laws and regulations in the Council’s approach to approving the budget. This was rectified during 2023/24 for approval of the 2024/25 budget.</p>	AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards		

Overarching actions are therefore recognised against this requirement, to address internal control weaknesses in the areas where outstanding significant improvement are required: compliance with the public contract regulations in respect of contracted spend; and compliance with the Consumer Standards as set out by the Social Housing Regulator. Additionally, actions are recognised to implement the findings of the Planning review and to develop a process for dealing with any future identified governance failures or weaknesses.

Further governance related improvements may arise from interactions with Regulator for Social Housing following the self-referral made by the Council in April 2024. These should be addressed.

and findings of internal Housing Services review.

AGS24-4
Implement actions to address non-compliant spend on temporary staffing, including any further findings of the internal or external auditor on this matter.

AGS24-5
Implement findings of Planning review.

AGS24-6
Develop internal process for dealing

Executive Director – Resources and Transformation

Executive Director – Place and Prosperity

Executive Director – Resources and Transformation

				with governance failures.	
2. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	Requiring Improvement	<p>Job descriptions and roles of statutory officers are well defined.</p> <p>Structure of the Leadership Team ensures statutory officers are included in key decision making.</p> <p>The Section 151 Officer role complies with CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016).</p> <p>Draft Code of Practice on Satisfactory Governance for Statutory Officers being implemented.</p> <p>Awareness of Statutory Officer roles raised with Heads of Service.</p> <p>Other key postholders:</p> <p>Safeguarding lead in place and appropriate mechanisms, corporate focus and support in place.</p> <p>Nominated DPO and arrangements for managing data protection issues currently under review.</p>	None	AGS24-7 Complete review of DPO resource and implement outcome	Executive Director – Resources and Transformation
3. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	Satisfactory	<p>Arrangements in place for obtaining and recording of legal advice.</p> <p>Reports requiring a decision are considered by Finance, Legal and HR and other corporate teams as necessary, as well as Statutory Officer, before being considered by the relevant decision committee.</p>	None	None	
4. Dealing with breaches of legal and regulatory provisions effectively	Satisfactory	<p>Proper arrangements in place for the provision of legal advice and recording such., Monitoring Officer referenced to give advice and ensure Council’s operates within the law at all times.</p>	None	None	

5. Ensuring corruption and misuse of power are dealt with effectively	Satisfactory	Whistleblowing policy, anti-fraud and corruption policy in place. Procedure set out in policy document.	None	None
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Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 1: Openness

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Satisfactory	FOI requests actively responded to, website, online publishing of expenditure. Published committee work programmes.	None	None	
2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Satisfactory	Record of decision making and supporting materials. Standard report format used. The Council's governance framework aims to ensure it sets and meets its objectives and responsibilities in a lawful, timely, open, inclusive and honest manner; and that its use of public money and resources are safeguarded, properly accounted for and used economically, efficiently and effectively.	None	None	
3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	Satisfactory	Decisions well documented with supporting information and advice included. Committee Work Programmes in place. Calendar of dates for submitting, publishing and distributing timely reports is adhered to for all committee meetings. All Committee meetings open to the public, except for exempt items. Formal procedures and rules set out in the Constitution.	None	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</p>	<p>Satisfactory</p>	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 and Customer Access Strategy consultations undertaken during 2023/24.</p> <p>Employee survey undertaken in 2023/24.</p> <p>Need for customer and staff satisfaction surveys to be scoped across all organisation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	<p>None</p>	<p>AGS24-8 Develop and implement Communications and Engagement Strategy</p> <p>AGS24-9 Develop organisational approach to customer satisfaction surveys</p>	<p>Executive Director – Law and People</p> <p>Executive Director – Resources and Transformation</p>

Supporting Principle 2: Engaging comprehensively with institutional stakeholders

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Satisfactory	Formal and informal partnerships in place. Regular diarised meetings with appropriate senior officers and partners (Toyota, Derbyshire CEX etc).	None	None	
2. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	Satisfactory	<p>Strong partnership working across the Council – e.g. Internal Audit shared service via Central Midlands Audit Partnership.</p> <p>There are a a range of partnerships and collaborative relationships in place, with new emerging. They have appropriate legal agreements and governance commensurate with the nature of the partnership, depending on factors such as legal status, membership, risk, subject matter. They range from more informal arrangements such the Derbyshire Chief Executive Group, to the more formal legal arrangements governing the Etwall Joint Management Committee and Derbyshire Business Rates Pool.</p> <p>The Council’s principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.</p> <p>A part of integrated care model, involvement in Derbyshire Place Board, Place Alliance and Health and Wellbeing board.</p>	None	None	

Derbyshire Leaders Group in place. Various Chief Officer Groups.
The Council appoints its Members to a variety of outside bodies at Annual Council each year.

3. Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit

Satisfactory

As above.

None

None

Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits Supporting Principle 1: Defining outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Having a clear vision which is an agreed Requiring Improvement formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions		New Council Plan defines the vision for the Council, including values and priorities. New Service Plans implemented for 2024/25 and are developed based on the Council Plan. The quarterly monitoring report and Annual Report details performance against the performance measures and actions. Enhancement to performance management framework underway and to be fully implemented in 2024.	None	AGS24-10 Fully implement new performance management framework.	Executive Director – Resources and Transformation
2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	Satisfactory	Intended impacts set out in Council Plan and Service Plans. Committee report format required details of impacts on stakeholders to be set out. Equality Impact Assessment tool requires intended impacts to be considered.	None	None	
3. Delivering defined outcomes on a sustainable basis within the resources that will be available	Satisfactory	New Service Plans developed for each service area. Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees.	None	None	
4. Identifying and managing risks to the achievement of outcomes	Requiring Improvement	Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees. New risk management framework under development which sets out new framework for monitoring operational risks within services and with Executive	None	AGS24-11 Fully implement new risk management framework.	Executive Director – Resources and Transformation

		Directors on monthly basis. Adoption of new strategic risk register, to be monitored on quarterly basis by Leadership team, including establishing new Corporate Risk Group to support more effective management of risk across the organisation.		
5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available	Satisfactory	Priorities and use of resources as set out in new Council Plan.	None	None

Supporting Principle 2: Sustainable economic, social and environmental benefits

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	Satisfactory	Social and economic impact of policies in decisions actively considered and a requirement of committee report format. Social value considered as part of procurement exercises.	None	None	
2. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	Satisfactory	Record of decision making and supporting materials made available publicly on website. 5-year Medium Term Financial Strategy in place. Strong practice of longer-term financial assessment of decisions in place.	None	None	

<p>3. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<p>Satisfactory</p>	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	<p>None</p>	<p>As per AGS24-8 Above</p>	<p>As per AGS24-8 above</p>
<p>4. Ensuring Requiring Improvement access to services</p>	<p>Satisfactory</p>	<p>All new policies presented for approval require Equalities Impact Assessment to be completed and regularly reviewed as part of ensuring Requiring Improvement access. Equality and Diversity Policy approved April 2024. Process in place for equalities impact assessments. Equalities and Diversity Action Plan in place. EDI Steering Group. EDI managed by HR and a core part of HR Officer role</p>	<p>None</p>	<p>None</p>	

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes Supporting Principle 1: Determining interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	Satisfactory	Where appropriate and commensurate with the scale and impact of decision, committee report will detail associated options appraisals and risks.	None	None	
2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	Requiring Significant Improvement	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p>	AGS24-12 Implement new approach to tenant engagement in Housing as part of Housing Service Improvement Working Group action plan.	None	Executive Director – Place and Prosperity

Supporting Principle 2: Planning interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Satisfactory	<p>Calendar dates for all Council meetings agreed in advance, reports published in a timely manner ensuring a robust planning cycle.</p> <p>Monthly performance and finance reports monitored by Leadership Team; Quarterly reports monitored by Leadership Team and Policy Committees. Performance Management Framework enhancements underway.</p>	None	As per AGS24-10	As per AGS24-10
2. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	Satisfactory	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p> <p>In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p>	None	As per AGS24-8, AGS24-9 and AGS24-12	As per AGS24-8, AGS24-9 and AGS24-12

3. Considering and monitoring risks facing each partner when working collaboratively including shared risks	Satisfactory	Strong partnerships exist in some areas. Partnership agreements exist where necessary for financial/legal/governance/risk reasons, formal agreements are put in place.	None	AGS24-13 Review of Constitution	Executive Director – Law and People
4. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Requiring Improvement	Delegated responsibility in some areas. Delegated decision making in some areas. Governance review required to ensure flexibility and agility in delivery.	None	AGS24-13 Review of Constitution	Executive Director – Law and People
5. Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Satisfactory	KPIs established in Council Plan and Service Plans. Quarterly Performance Reports are considered by Policy Committees.	None	None	
6. Ensuring capacity exists to generate the information required to review service quality regularly	Requiring Improvement	Service quality issues are identified via performance monitoring management information. Evidence of this includes the review of two services deemed inefficient through performance monitoring (Housing and Planning), which were instigated during the 2023/24 year, both of which will undergo significant improvement processes in 2024/25 and beyond. The capacity for these reviews was bought in, via a consultancy arrangement. Going forward, it is anticipated that rolling programmes of service reviews will be undertaken, utilising a range of corporate	None	AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan	Executive Director – Resources and Transformation

management information, including internal and benchmarking: performance information, customer feedback (complaints, compliments and customer engagement), employee survey data and HR data.

Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management, Housing tenancy management. Links with improvement above around customer survey data.

7. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	Satisfactory	Strategic and Financial Planning timetable reviewed and aligned in 2023/24 for 2024/25 planning purposes, which has enabled a more integrated approach.	None	None
8. Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Satisfactory	<p>Budget process reviewed and updated for 2024/25, allowing for realistic estimates of medium-term impacts. Changes to budgeting approach (i.e. not funding establishment costs via reserves, allowing capital bids) implemented in 2023/24.</p> <p>New Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe and sustainable position over this period (subject to funding reform). Medium Term Financial Plans refreshed twice per year. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilising early 2024/25. Commitment to increase income through commercialisation initiatives and projects.</p>	None	None.

Supporting Principle 3: Optimising achievement of intended outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Satisfactory	MTFS and budget co-created with Members, Leadership Team and Heads of Service, with strategic view of service priorities and aligns to Council Plan.	None	None	
2. Ensuring the budgeting process is all inclusive, taking into account the full cost of operations over the medium and longer term	Satisfactory	Budget process reviewed and updated for 2024/25, allowing for realistic estimates of medium-term impacts. Changes to budgeting approach (i.e. not funding establishment costs via reserves, allowing capital bids) implemented in 2023/24. 5 year Capital budget and resource planning. Revenue 1 year timeframe, but longer-term impacts assessed as part of MTFP. New Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe.	None		
3. Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Satisfactory	Progressive Medium Term Financial Strategy that sets that context for financial decision making. MTFP updated twice per year or more frequently if information is received warrants an update. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilising early 2024/25.	None	None	
4. Ensuring the achievement of 'social value' through service planning and commissioning.	Satisfactory	Social value considered through procurement processes. i.e. new build Council housing.	None	None	

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

Supporting Principle 1: Developing the entity’s capacity

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	Satisfactory	Reviews of structures, ways of working and carried out as necessary. Property Services team established asset register. Asset Management Strategy in place. Acquisitions and Disposals Policies.	None performance	None	
2. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently	Requiring Improvement	Services encouraged to make use benchmarking data. Organisational approach to benchmarking to be reviewed and requirements determined.	None	AGS24-15 Develop organisational requirements for benchmarking of services.	Executive Director – Resources and Transformation

3. Recognising the benefits of partnerships and collaborative working where added value can be achieved	Satisfactory	Strong partnership working across the Council.	None	None.	
4. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	Satisfactory	People Strategy under development and due For approval Autumn 2024.	None	AGS24-16 Develop People Strategy	Executive Director – Law and People

Supporting Principle 2: Developing the capability of the entity’s leadership and other individuals

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Satisfactory	Regular Leading Members meetings between the Leader, Deputy Leader, Chairs of the 3 policy committees, the Chief Executive and Executive Directors. Robust member induction programme, with specific and significant training. Code of Conduct for all members. “Building capacity for finance” training programme undertaken by all members during 2023/24. Ongoing member training programmes. Specific Audit Sub-Committee training programme to be developed 2024/25.	None	None	
2. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Satisfactory	Regular review of delegation and financial Regulations. Constitution.	None.	None	
3. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority	Satisfactory	Clear roles and responsibilities with the Chief Executives objectives set and monitored by Leader.	None.	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • Ensuring personal, organisational and system- wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	Requiring Improvement	<p>Members trained as and when required. Formal induction process for new administration and new members. Robust member induction programme, with specific and significant training planned.</p> <p>Personalised support for Committee Chairs, led by relevant Leadership Team lead.</p> <p>Self-assessment undertaken for Audit-Sub Committee against CIPFA guidance. Results due to be reported to Audit Sub-Committee and Finance and Management Committee.</p> <p>Changes to both the risk and performance management frameworks have been scoped and are underway, as above.</p>	As per AGS24-10, AGS24-11 and AGS24-12.	None	As per AGS24-10, AGS24-11 and AGS24-12.
5. Ensuring that there are structures in place to encourage public participation	Satisfactory	As set out above, the Council complies with statutory consultations and often goes above this. Customer Feedback model, but more development required around customer satisfaction information gathering and wider customer engagement.	None	As per AGS24-8 and AGS24-9	As per AGS24-8 and AGS24-9

6. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	Requiring Improvement	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge last undertaken in 2019 and now due for revisit.	None	AGS24-17 Define scope and timetable for future Corporate Peer Challenge	Chief Executive
7. Holding staff to account through regular performance reviews which take account of training or development needs	Requiring Improvement	Staff PDR process in place, include robust assessment of training needs. Strong approach to employee training. As above, development scoped to enhance existing employee performance management framework and develop a Behaviours and Skills Framework to be integrated into employee life cycle.	None	As per AGS24-1 and AGS24-2	As per AGS24-1 and AGS24-2
8. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Requiring Improvement	Discount on leisure facilities for staff. Counselling service around family, personal, debt, workplace, home and health issues. Coaching and mentoring available. People Strategy under development to support Council in becoming Employer of Choice. Sickness management ongoing. Identified need to review benefits package for employees including Employee Assistance Programme.	None	AGS24-18 Review Council benefits package and need for Employee Assistance Programme as part of People Strategy	Executive Director – Law and People

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

Supporting Principle 1: Managing risk

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Requiring Improvement	<p>Risk Management framework under review. Finding from external auditor around after identifying a risk that the most strategic of risks not given due regard or attention, due to lack of differentiation between strategic and operational risk.</p> <p>Risk management framework improvements to be fully implemented. This includes work to develop understanding of risk appetite of members.</p>	None	As per AGS24-11	As per AGS24-11
2. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	Requiring Improvement	<p>Risk Management framework under review. Finding from external auditor around after identifying a risk that the most strategic of risks not given due regard or attention, due to lack of differentiation between strategic and operational risk.</p> <p>Risk management framework improvements to be fully implemented. This includes work</p>	None	<p>As per AGS24-11</p> <p>AGS24-19 Internally publish service business continuity plans</p>	<p>As per AGS24-11</p> <p>Executive Director – Environment and Communities</p>

to develop understanding of risk appetite of members.

Business Continuity plans currently under development by service area.

Emergency Planning arrangements managed via Derbyshire Resilience Partnership.

3. Ensuring that responsibilities for
Satisfactory managing individual risks
are
clearly allocated

Risk Management framework under review. Risk owners understood.

None

As per AGS24-11

As per AGS24-11

Supporting Principle 2: Managing Performance

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	Satisfactory	<p>Monitoring of service delivery currently completed through Council plan and for 2024/25 service plans also.</p> <p>Calendar of monitoring dates and reporting dates adhered to by the organisation.</p> <p>As above, Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management. Links with improvement above around customer survey data</p>	None	As per AGS24-14	As per AGS24-14
2. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook	Satisfactory	Committee report template allows for robust consideration of all relevant factors for a decision.	None	None	
3. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	Requiring Improvement	<p>Overview and Scrutiny Committee in place.</p> <p>Developments for scrutiny around the scoping of Reviews and ensuring sufficient information around purpose of review and intended outcomes is effectively communicated, and ensuring scrutiny is utilised in the development of policies and strategies as appropriate.</p>	None	AGS24-20 Develop enhanced Overview and Scrutiny Committee Work Programme	Executive Director – Resources and Transformation

4. Providing members and senior Satisfactory management with regular reports on service delivery plans and on progress towards outcome achievement	Calendar of dates published and reporting dates adhered to	None	None
5. Ensuring there is consistency Satisfactory between specification stages (such as budgets) and post implementation reporting (eg financial statements)	Standing orders in place. Approval reports separate from financial updates	None	None

Supporting Principle 3: Robust internal control

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Aligning the risk management strategy and policies on internal control with achieving the objectives	Satisfactory	Risk management strategy, audit plan and regular None audit reports.		None	
2. Evaluating and monitoring the authority's risk management and internal control on a regular basis	Satisfactory	Risk management policy with risks reviewed regularly by CLT and Cabinet. Risks should be monitored by the Audit and Governance Committee but this has not happened since November 2015. Due to improvements arising from the 2016/17 governance review, a cross-service Risk Management Group is established which meets on a quarterly basis to review risks. Risks are now regularly report to Audit and Governance Committee.	None	None	

3. Ensuring effective counter fraud and anti- corruption arrangements are in place	Satisfactory	Anti-fraud and anti-corruption policies in place None Fraud arrangements strong via inclusion in fraud partnership with Derby City.	None	None	
4. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Satisfactory	Internal audit arrangements via Central Midlands Audit Partnership adequate with internal audit actively involved in service improvement.	None	None	
5. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon	Requiring Improvement	Review of Audit Sub-Committee against Audit Committees: Practical Guidance for Local Authorities and Police identified CIPFA that the authority does not comply with best practice. The findings of this review will be presented to the Audit Sub-Committee and Finance and Management Committee in June 2024.	None	AGS24-21 Present findings of Audit Sub-Committee CIPFA self-assessment exercise	Executive Director – Resources and Transformation

Supporting Principle 4: Managing Data

Requirement of local authorities to:	Assessment	Evidence	Areas for		Lead
			Significant Issues	Improvement	
1. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Satisfactory	Policies in place for data management and data protection. Designated data protection officer. Nominated DPO and arrangements for managing protection issues currently under review. Designated Safeguarding Officer and lead.	None per AGS24-7	As	As per AGS24-7

2. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Satisfactory	Data sharing agreements in place and data processing agreements where necessary. We ensure all suppliers are compliant with data protection and GDPR legislation.	None	None
3. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Satisfactory	Regular internal audits carried out.	None	None

Supporting Principle 5: Strong public financial management

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	Requiring Improvement	<p>Self-assessment exercise undertaken by the Section 151 Officer has identified some areas of non-compliance against the CIPFA Financial Management Code. Actions to address these areas require implementation.</p> <p>Review of finance team required to ensure appropriate capacity and expertise.</p>	None	<p>AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code</p> <p>AGS24-23 Review finance team</p>	<p>Executive Director – Resources and Transformation</p> <p>Executive Director – Resources and Transformation</p>
2. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Requiring Improvement	<p>Budget monitoring reports and regular reviews. Greater engagement required between finance and services.</p> <p>Self-assessment exercise undertaken by the Section 151 Officer has identified some areas of non-compliance against the CIPFA Financial Management Code. Actions to address these areas require implementation.</p> <p>Review of finance team required to ensure appropriate capacity and expertise.</p>	None	As per AGS24-20 and AGS24-21	As per AGS24-20 and AGS24-21

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

Supporting Principle 1: Implementing Satisfactory practice in transparency

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	Requiring Improvement	Website user friendly, annual report. Training undertaken with Heads of Service May 2024 on report writing approach and processes. Further work needed to ensure use of "plain English".	None	As per AGS24-8	As per AGS24-8

		<p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>			
<p>2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<p>Satisfactory</p>	<p>Website user friendly, annual report. Annual Report produced in accessible format. Further work needed to ensure use of “plain English”. Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	<p>None</p>	<p>As per AGS24-8</p>	<p>As per AGS24-8</p>

Supporting Principle 2: Implementing Satisfactory practices in reporting

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reporting at least annually on performance, value for money and the stewardship of its resources	Satisfactory	Annual report, Statement of Accounts.	None	None	
2. Ensuring members and senior management own the results	Satisfactory	Members and Leadership Team approve reports. Informal engagement undertaken as necessary.	None	None	
3. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate Satisfactory governance (annual governance statement)	Satisfactory	Annual governance statement. In-depth self-assessment review against principles undertaken for 2023/24 – results of which are set out in this paper.	None	None	
4. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	Satisfactory	Annual governance statement, application of policies where Council works in partnership with other organisations.	None	None	
5. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	Satisfactory	Format follows best practice	None	None	

Supporting Principle 3: Assurance and effective accountability

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring that recommendations for corrective action made by external audit are acted upon	Satisfactory	Recommendations from external audit acted upon. Compliance of Internal Audit arrangements with the Public Sector Internal Audit Standards. Regular communication between S151 Officer and Internal Audit Manager. Regular communication between S151 Officer and External Auditor.	None	None	
2. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Satisfactory	Internal Audit report directly to Audit Sub- Committee. Audit Sub-Committee Chair has met independently with Internal Audit during the 2023/24 year. Recommendations from internal audit acted upon with internal audit being actively engaged to assist with service improvements.	None	None	
3. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Satisfactory	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge last undertaken in 2019 and now due for revisit.	None	As per AGS24-17	As per AGS24-17
4. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	
5. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	