

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

## **DRAFT** **ANNUAL GOVERNANCE STATEMENT 2015/16**

### **1. Introduction**

- 1.1 Each year the City Council produces a governance statement that explains how it makes decisions, manages its resources and promotes values and high standards of conduct and behaviour. This statement complies with regulation 6(2) of the Accounts and Audit Regulations 2015.
- 1.2 Stoke-on-Trent City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, correctly accounted for, used economically, efficiently and effectively to deliver quality services to the community it serves.
- 1.3 The council is committed to embedding and achieving a robust set of corporate governance arrangements. The council is managed within a robust framework as set out in the City Council Constitution, which clearly outlines how the council operates, how decisions are made and what procedures need to be followed to ensure the council is efficient, transparent and accountable to its local residents and stakeholders.
- 1.4 The Annual Governance Statement reports on:
- i. how the council complies with its own governance arrangements;
  - ii. how the council monitors the effectiveness of the

governance arrangements and;

- iii. what improvements or changes in governance arrangements are proposed during the forthcoming year.

- 1.5 The footnotes provided are internet links which will take you to the specific supporting documents and appropriate web pages.

### **2. Scope of Responsibility**

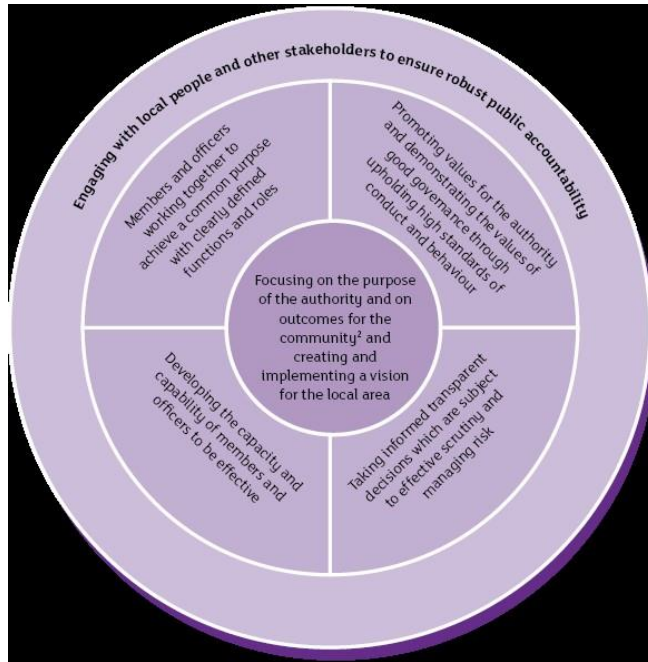
- 2.1 Stoke-on-Trent City Council is responsible for ensuring that its services are provided and conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Local Government Act 1999 also places a duty on all councils to secure continuous improvement and to demonstrate economy, efficiency and effectiveness.

- 2.2 In discharging this overall responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) identified six key principles relating to governance in their document Framework *Delivering Good Governance in Local Government (2012 Edition)*. A summary of those six principles is shown below

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## Summary of the CIPFA/SOLACE Framework Principles



### The Purpose of the Governance Framework

- 2.4 The Governance Framework comprises the systems and processes, culture and values by which Stoke-on-Trent City Council is directed and controlled. This, together with its activities and leadership, enables it to monitor and manage its performance for delivering cost effective services.
- 2.5 Effective performance and risk management allows the council to have increased confidence in achieving its objectives and also allows the citizens of Stoke-on-Trent to have increased

assurance in the council's governance arrangements and its ability to deliver.

- 2.6 The system of internal control is a significant part of the governance framework and is designed to manage risk to an acceptable level. Risk cannot be eliminated and therefore controls can only provide reasonable and not absolute assurance of effectiveness. Internal Control is based on a process to:
- Identify and prioritise risks that prevent the achievement of the council aims and objectives;
  - Evaluate the likelihood that risks are realised and the impact should they realise;
  - The appropriate management of those risks.

- 2.7 The council has a number of committees that challenge and review the options considered and actions taken by the council with the aim to ensure that robust decisions are made that focus on achieving the best strategic outcomes for local residents within the available level of resources.

- 2.8 The council has an Audit Committee<sup>1</sup> which has as part of its function, the responsibility to consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements, and seek assurance that action is being taken on issues identified by auditors and inspectors. In discharging this function, the Audit Committee will ensure compliance with such codes, protocols, statements and policies as are necessary to meet its responsibilities, which includes the appropriate arrangements for the management of risk.

<sup>1</sup> <http://www.moderngov.stoke.gov.uk/mgCommitteeDetails.aspx?ID=406>

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## 3. The 2015/16 Governance Framework

- 3.1 The CIPFA/SOLACE framework (Delivering Good Governance in Local Government), provides advice and indicators to good governance which affords the council with the opportunity to review and test its governance and structures in delivering best practice.
- 3.2 The CIPFA/SOLACE framework identifies the six core principles of good governance as:
1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
  2. Members and officers working together to achieve common aims with clearly defined functions and roles.
  3. Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
  4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
  5. Developing the capacity and capability of Members and officers to be effective.
  6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.3 The governance framework covered by this statement has been in place at Stoke-on-Trent City Council for the year ended 31 March 2016 and is considered up to 21 June 2016. An assessment of the council's governance arrangement against each core principle is attached at [Appendix 1](#).

3.4 In 2015/16 no significant governance issues were identified. Where procedural/control issues have been identified through routine audits, inspections or review, recommendations have been reported to management and will be monitored and regularly reviewed by managers and senior officers through to completion.

## 4. Review of Effectiveness

4.1 A review of the council's governance arrangements draws on several sources including:

- Service updates from individual service managers
- Reviews of partnership governance arrangements
- Internal audit reviews that consider and report on compliance with corporate policies and procedures.

4.2 The Audit Committee plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management, control and governance arrangements.

4.3 The Audit Committee's self-assessment against updated CIPFA guidance was reported in December 2015. The Committee assessed as substantially compliant in 3 of the 4 areas. Actions to ensure the Committee becomes fully compliant were agreed and further updates will be reported to future meetings.

### Internal Audit and Review

4.4 The City Council has a strong Internal Audit function and well-established protocols for working with External Audit. The

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arrangements for the provision of Internal Audit are contained within the Council's Financial Regulations which are included within the Constitution. At 31 March 2016, the Director of Resources and Customer Services as Section 151 Officer is responsible for ensuring that there is an adequate and effective system of Internal Audit of the Council's accounting and other systems of internal control, as required by the Accounts and Audit Regulations 2015.

- 4.5 In 2013 CIPFA published the Public Sector Internal Audit Standards to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. The City Council has adopted these standards and Internal Audit has carried out self-assessments with areas for improvement being addressed. The standards also require that an external review is undertaken once every 5 years, it is planned to undertake an external independent assessment of the effectiveness of the internal audit function during 2016/17.
- 4.6 Internal Audit's Plan is prioritised by a combination of key and statutory systems assessment and review on the basis of risk, and the Council's corporate governance arrangements. The work incorporates reviews of the main financial systems, other systems identified as high risk, grant certification work and the continued development of proactive fraud work. The resulting work plan is discussed and agreed with Directors, the Audit Committee and shared with the Council's external auditor. Regular meetings between internal and external audit ensure that duplication of effort is avoided. All planned audit reports include an assessment of the adequacy of internal control and a prioritised action plan to address any areas needing improvement where for example, controls need to be improved or the overall control environment strengthened. These are provided to Directors, and other officers as appropriate, and a summary is provided to Members on a quarterly basis.

- 4.7 The Internal Audit review of the council's control environment is set out in the annual report to Audit Committee which concluded that from the work carried out during 2015/16, the level of assurance on the adequacy and effectiveness of the City Council's control environment is Satisfactory.

## External Audit and Review

- 4.8 KPMG has been appointed by the Public Sector Auditor Appointments (PSAA) as the council's external auditor until 2016/17. Their annual work programme is set in accordance with the Code of Audit Practice issued by the National Audit Office and includes nationally prescribed and locally determined activities. During 2015/16 the scope of that work is to support a conclusion and view on and audit of the council's financial statements, its Whole of Government Accounts return and Value for Money assessment based on the economy, efficiency and effectiveness of the council's use of resources. City Council officers work closely with external audit to provide information and assurance in support of those conclusions and acts on any recommendations made as a result.
- 4.9 The Council received an unqualified Value for Money (VFM) conclusion for 2014/15 from its External Auditors<sup>2</sup>. The Council notes a number of recommendations resulting from the report and is taking steps to improve areas further, the results of which are reported to Audit Committee.

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<sup>2</sup> [External Audit Findings 2014/2015](#)

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- 4.10 The Council is subject to a number of inspections by regulatory bodies on many of the services that it provides. During 2015/16 several external reviews were completed:
- 4.11 The Council's arrangements for schools improvement were inspected by Ofsted during January 2015. The report both highlighted areas of good practice and set out areas where improvements needed to be made. It praised the work of our innovative school improvement group which brings senior council managers and primary and secondary head-teachers together to target school priorities. Inspectors highlighted the way our approach is 'evolving well' and creating a more rigorous approach to school improvement'. The report also identified areas for improvement that we were already committed to addressing. Areas such as pupil and school improvements needed to happen quicker, pupil outcomes in 'most phases of education' needed to be better, timescales for our targets needed to be more realistic and the quality of school governance needed to be consistent. An action plan to address these areas is monitored and updated on a regular basis.
- 4.12 In June 2015 Ofsted undertook a further review of the Council's arrangements for children in need of help and protection; children looked after and care leavers and review of the effectiveness of the Local Safeguarding Board. Their report was published in August and rated the overall effectiveness of the both the Local Authority and Safeguarding Children Board as 'requires improvement to be good'. An action plan focusing on the 14 areas identified for improvement were completed by the time the report was published in August.
- 4.13 The council's data protection arrangements were examined by the Information Commissioner's Office in early 2015. Their report<sup>3</sup> published in April, recognised that the council had processes in place to ensure compliance with the Data Protection Act and acknowledged areas of good practice such as awareness training and asset security; the council has been working to address the areas identified where further improvements can be made to enhance existing arrangements. Areas identified included the review of information security and data protection clauses within council contracts, further improving the security of portable assets and the establishment of a register to record the Information assets held by the council. Officers continue to work to address the recommendations and further inspections will be undertaken to monitor progress, this in turn is reported to the Council's Information Technology Governance Board.
- 4.14 In June 2015 the Association of Electoral Administrators (AEA) was appointed to carry out an independent review of the arrangements for the UK Parliamentary and City Council elections in Stoke-on-Trent. In November 2015 John Turner, the independent reviewer presented his findings to candidates and election agents and in response to the report an action plan was drawn up to address the areas identified for improvement. The majority of these have now been completed including strengthening the resources within the Elections Office, the election process and the management of absent voting. In early 2016 the city council were approached by the Cabinet Office and the Electoral Commission to invite the Monitoring Officer to be the Police Area Returning Officer for Staffordshire, demonstrating that the improvements which had recently been made to the processes had been acknowledged at a national level. The election, which took place in early May, was delivered successfully.

<sup>3</sup> <https://ico.org.uk/media/action-weve-taken/audits-and-advisory-visits/1043767/ico-audit-sotcc-executive-summary.pdf>

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## **Resilience**

- 4.15 Stoke-on-Trent City Council forms part of the Staffordshire Resilience Forum partnership, a group of organisations preparing for emergencies together. The city council's work on resilience is overseen by an assistant director and is championed by the leader of the council. In 2014 the city of Stoke-on-Trent was the first city in the UK to be awarded United Nations International Strategy for Disaster Reduction (UNISDR) resilient city status.
- 4.16 The outcome of the Council's assessment of its governance arrangements in 2015/16 is summarised below. A more detailed assessment against the six CIPFA/SOLACE principles is set out in [Appendix 1](#).

## **5. Framework – key improvement areas**

- 5.1 The following paragraphs detail key elements of the framework which have undergone significant improvements.

### **Procurement**

- 5.1.1 The City Council has continued to develop robust governance procedures for procurement activity across the authority. These are contained in the Contract Procedure Rules and also in a more detailed Procurement Process Guide which sets out the Council's standard procurement process. A new Procurement Strategy has been approved by the City Council covering the period 2014-2016. A central theme of this is to have an effective and efficient procurement service including robust governance. Overview and Scrutiny and Cabinet members have agreed a Procurement Strategy Action Plan for the implementation of the strategy which sets out milestone dates and responsible officers.

- 5.1.2 The Council has a standard procurement process which is detailed in the Procurement Process Guide to ensure consistency of approach across the Authority. This complements the high level Contract Procedure Rules which are reviewed on an annual basis. A Procurement Focus Group was established consisting of internal officers engaged in procurement and commissioning to again achieve consistency of procurement approach and examine procurement topics such as changes to the Contract Procedure Rules, Local Procurement, and Risk.

### **Information Governance**

- 5.1.3 The operation of the Information Security Forum and the role of the ICT Governance Board in this area are now fully embedded and actively managing security policies and practice. To further strengthen the risk based approach to information security the Senior Information Risk Owner role has been defined more clearly and training has been undertaken. All officers who handle personal data have undertaken data protection training and all strategic managers have completed information security training.
- 5.1.4 The council has invested in an IT system that ensures all staff are fully aware of the council's policies and are immediately alerted to any changes. This has initially been used to notify staff about information management policies and it will also be used to distribute other council information that staff need to understand. This will ensure that the internal standards that are in place are understood and will be particularly important in communicating our policies on information security, health and safety and human resources.

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## 6. Future Developments

6.1 The council recognises that the need for change, driven by unprecedented budget cuts and a desire to improve the quality of life for our citizens continues to present the council with immense challenges. It is crucial as the council aligns itself with new operating models and implements new and demanding strategies it considers the risks associated with these and alongside these considerations it recognises and balances the risks associated with the service demands that are driven by social and economic change. It is therefore important that risk continues to be acknowledged and managed in a transparent way and every effort is made to ensure effective risk management is embedded within the council's organisational structure

6.2 The governance framework is under continuous review, the developments initiated during 2015/16 will continue to be embedded during 2016/17 including:

- Extension of the Scheme of Delegation to strategic managers
- Streamlining the forward planning process
- A review of the Constitution and Governance Arrangements

6.3 In 2015/16 no significant governance issues were identified. Actions to address the areas of concern highlighted in the 2014/15 statement are nearing completion.

## 7. Declaration by Council

7.1 We have been advised on the results of the review of the effectiveness of the governance framework by the Audit Committee. The City Council continues to develop plans to ensure continuous improvement of the arrangements are in place and these will continue to be enhanced.

7.2 Over the coming year, we will continue to strengthen the Council's governance arrangements and will monitor the implementation of recommendations to improve and enhance the arrangements as part of our next annual review.

### Signed:

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Leader of the Council: Councillor Conway  
Date:

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City Director: David Sidaway  
Date:

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Section 151 Officer: Laura Rowley  
Date:

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Monitoring Officer: Fiona Ledden  
Date:

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

## APPENDIX 1

### Principle 1 - Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas.

How we can demonstrate that the Council meets this principle	Evidence
<p>The City Council provides public consultation and feedback events and information to inform and influence the budget process and the long term direction of the council as provided by the Medium Term Financial Strategy.</p>	<p><a href="#">Budget Proposals 2016-17 - Stoke-on-Trent City Council</a></p>
<p>In 2011/12, the City Council adopted a framework and set of principles around planning, investment and effective resource management to create positive and sustainable economic growth and prosperity in Stoke-on-Trent. A set of priorities has since been developed and refreshed that will provide the vision for the city into the 2020s.</p>	<p><a href="#">Medium Term Financial Strategy – City Council 26 February 2015</a></p>
<p>The council communicates through its website regarding the Council’s vision, achievements, financial position and performance. The Council also publishes a quarterly newsletter ‘City News’ which is distributed to 119,000 households.</p> <p>Various parts of the organisation also use other forms of social media, including <a href="#">Twitter</a>, <a href="#">Facebook</a>, <a href="#">YouTube</a>, <a href="#">google+</a>, <a href="#">Pinterest</a> and <a href="#">Flickr</a> to engage and inform communities and stakeholders. The Communications team also provides related media releases, where appropriate.</p>	<p><a href="#">News Page</a></p> <p>The Council’s main Twitter account, @sotcitycouncil has approx. 18,700 followers.</p> <p><a href="#">City News Winter 2015</a></p>
<p>The system of internal control is designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.</p> <p>The risk management process is also reviewed to ensure it reflects best practice in the way the policy is deployed.</p>	<p><a href="#">Strategic Risk Report</a></p> <p><a href="#">Risk Management update to Audit Committee</a>  <a href="#">Risk Management update Action Plan</a></p>

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## APPENDIX 1

### Principle 1 - Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas.

How we can demonstrate that the Council meets this principle	Evidence
<p>Financial and non-financial performance reports are presented on a monthly basis at Corporate Directors Board (CDB) and taken to Cabinet each quarter. The content of the reports demonstrate the Council's progress in achieving against the performance measures and budgets across council activities and are used to highlight examples of excellence in service delivery, as well as monitoring areas requiring improvement.</p> <p>Reports are also provided to Overview and Scrutiny Committees for each respective service area.</p>	<p>Financial Reports</p> <ul style="list-style-type: none"> <li>• <a href="#">Financial Reports 1st Quarter</a></li> <li>• <a href="#">Financial Reports 2nd Quarter</a></li> <li>• <a href="#">Financial Reports 3rd Quarter</a></li> </ul> <p>QBR Reports</p> <ul style="list-style-type: none"> <li>• <a href="#">QBR First Quarter</a></li> <li>• <a href="#">QBR Second Quarter</a></li> <li>• <a href="#">QBR Third Quarter</a></li> </ul>
<p>The Council has adopted in full CIPFA's Prudential Code for Capital Finance in Local Authorities and their Treasury Management Code of Practice. The Council receives specialist support from Arlingclose on all aspects of borrowing, lending and investments.</p> <p>Member awareness and engagement on Treasury Management issues is progressed through development events and regular updates.</p> <p>The annual report on the Treasury Management Strategy for 2016/17, incorporating the Minimum Revenue Provision Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2015/16 to 2020/21 required under Part 1 of the Local Government Act 2003 was approved by Council in February 2016.</p>	<p><a href="#">Treasury Management Annual Report</a></p> <p><a href="#">TM AI Borrowing Strategy &amp; Minimum Revenue Provision</a></p> <p><a href="#">Minimum Revenue Provision Policy</a></p>

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## APPENDIX 1

### Principle 1 - Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas.

The Statement of Accounts is published and produced in compliance with the Accounts and Audit Regulations 2015 presenting a true and fair view of the financial performance of the City Council in the delivery of services to the citizens of Stoke-on-Trent. The accounts are subject to independent external audit and are made available via the City Council's website. This is seen as an essential feature of public accountability and stewardship as it provides an annual report on how the City Council has used the public funds for which it is responsible.

[Published Accounts](#)

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### Principle 2 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

How we can demonstrate that the Council meets this principle	Evidence
<p>In compliance with the data transparency code, the council has published its senior management structure and pay structure.</p> <p>The Council publishes an annual pay policy last approved by City Council for 2016/17 on 25 February 2016</p> <p>Information is also provided about members remuneration</p>	<p><a href="#">Senior Management Information</a></p> <p><a href="#">Pay Policy Statement</a></p> <p><a href="#">Members' Allowances</a></p>
<p>The Council's constitution defines the roles and responsibilities of officers and members and committees in functioning as a democratic council.</p>	<p><a href="#">Council Constitution</a></p>
<p>On this page you can find a record of executive decisions made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p>	<p><a href="#">Notice of Decisions</a></p>
<p>The City Council attend a number of joint committees and forums to promote joint co-operation and working.</p>	<p><a href="#">Committees</a></p>
<p>The City Council works in close partnership with the Stoke and Staffordshire Local Enterprise Partnership to develop investment and business growth across the region</p>	<p><a href="#">Stoke and Staffordshire LEP</a></p>



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Principle 3 – Promoting the values of the authority and demonstrating the values of good governance, through upholding high standards of conduct and behaviour.		
How we can demonstrate that the Council meets this principle	Evidence	
The Council has four statutory <sup>4</sup> posts with responsibility for governance	Statutory / Mandatory post	Post within current structure
	Head of Paid Service	City Director
	Chief Financial Officer and s151 Officer	Director of Resources and Customer Services
	Monitoring Officer	Assistant Director Governance
	Senior Information Risk Owner	Assistant Director ICT and Libraries
The Codes of Conduct for Members and council employees include the requirement to disclose interests (including statutory Disclosable Pecuniary Interests) and to declare gifts and hospitality. Regular bulletins are issued to staff reminding them of their responsibilities. The Members Gifts and Hospitality Register is available on the council's website on the Transparency pages.	<a href="#">Details of Councillors and register of interests</a>	
The Council promotes high standards of ethical behaviour by developing, maintaining and monitoring a Code of Conduct for Members of the Council. The Code of Conduct clearly sets out the standards expected for elected Councillors to ensure they operate in a clear, transparent manner and treat each other, and members of the public, with respect and courtesy. The Code and the council's policies and procedures are communicated via corporate induction sessions and are available on the council's intranet site.	Members Code of Conduct and Staff Code of Conduct are included in the Council's <a href="#">Constitution</a> .	

<sup>4</sup> There are other statutory roles, including the Director of Children's Services and the Caldicott Guardian, currently held by the Director of Children , Adults and Family Services

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## APPENDIX 1

### Principle 3 – Promoting the values of the authority and demonstrating the values of good governance, through upholding high standards of conduct and behaviour.

How we can demonstrate that the Council meets this principle	Evidence
<p>Comprising of nine councillors, allocated on the basis of the political composition of the council, the City Council's Standards Committee is responsible for helping Members to adhere to the Members Code of Conduct and promoting other elements of sound ethical behaviour.</p> <p>An Independent Person for Standards has been appointed by the council to assist the committee in carrying out its responsibilities. The Committee, in conjunction with the Monitoring Officer, deals with complaints against Members and this may involve the undertaking of investigations or some other form of action being taken, such as additional training. The Committee also issues (and updates) local codes of guidance from time to time, such as a Code on Criminal Records Bureau checks and guidance on dealing with planning and licensing determinations.</p>	<p><a href="#">Standards Committee.</a></p>
<p>The Council has an established corporate compliments, comments and complaints process. In the event that the procedure is exhausted, the Ombudsman is required to carry out an investigation into a complaint. The Ombudsman's Annual letter is published on the <a href="#">LGO's</a> own website. There has been a reduction in the number of complaints received regarding council services in 2015.</p>	<p><a href="#">Complaint Procedure</a></p> <p><a href="#">Ombudsman's annual review</a></p>
<p>The Council has approved an Anti-Fraud and Corruption Policy and Whistleblowing Policy to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The Audit Committee receives regular update reports outlining progress in implementing key anti-fraud actions to protect the Council's interests.</p>	<p><a href="#">Corporate Fraud Update December 2015</a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

**APPENDIX 1**

**Principle 3 – Promoting the values of the authority and demonstrating the values of good governance, through upholding high standards of conduct and behaviour.**

How we can demonstrate that the Council meets this principle	Evidence
<p>The Council has a Corporate Strategy for the prevention and detection of fraud and corruption. Historically the main focus of this work has been in the areas of Benefit Fraud, Living Together Fraud and Housing Tenancy Fraud. Following the rollout of the Government’s Single Fraud Investigation Service initiative, in August 2015 responsibility for investigation Benefit Fraud transferred to DWP allowing the Corporate Fraud Team to focus on awareness training and prevention strategies whilst maintaining an active corporate fraud function responding to and investigating referrals from various stakeholders. Work continues to focus upon areas highlighted via the successful LGC 2015 award winning ‘Spot the Cheater’ campaign. The campaign has led to a marked increase in the number of referrals of suspected fraud. Results of fraud investigations are publicised on the internet using the council’s social media presence and also in the local media to promote the council’s ‘Get Tough on Fraud’ approach.</p>	<p><a href="#">LGC Awards 2015</a></p> <p><a href="#">Corporate Fraud Update December 2015</a></p>

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### Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

How we can demonstrate that the Council meets this principle	Evidence
<p>The Council's Constitution also sets out the framework for decision making and the formal reporting of those decisions. Decision making is underpinned by a framework of policies, plans and strategies. These are referred to as the Budget and Policy Framework and are identified within the constitution. The Constitution is kept under review by the Assistant Director - Governance, (the Council's Monitoring Officer).</p>	<p><a href="#">Constitution</a></p>
<p>The Corporate Risk Management Policy sets out the council's strategy for ensuring that effective risk management is embedded within all areas of the Council's operations. It also requires that all managers and Councillors address the issue of associated risk whilst making any and all policy decisions. The Audit Committee reviews the Strategic Risk Register annually.</p>	<p><a href="#">Management of Risk Policy</a>  <a href="#">Strategic Risk Register (Cabinet Report)</a>  <a href="#">Strategic Risk Register (July 2015)</a></p>
<p>The CIPFA publication, Audit Committees - Practical Guidance for Local Authorities and Police (2013 edition), guidance on the function and operation of audit committees in local authorities throughout the UK. It incorporates CIPFA's position statement (Audit Committees in Local Authorities and Police) and emphasises the importance of audit committees, acknowledging that they are a key component of governance.</p> <p>At the October 2015 Audit Committee, members agreed to complete the checklist contained within the guidance and receive a subsequent report in December 2015 containing the results and outlining the areas suggested for improvement/development.</p>	<p><a href="#">Roles and Responsibilities Report</a></p>

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Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	
How we can demonstrate that the Council meets this principle	Evidence
<p>The Council operates a number of Overview and Scrutiny Committees that consist of Elected Members who undertake annual work programmes. The Overview and Scrutiny Committees are aligned to the directorates within the City Council.</p>	<p><a href="#">Overview and Scrutiny</a></p>
<p>The City Council's Financial Management arrangements conform to the governance requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010). Information on the financial performance of the Council provided to budget managers and senior officers is well presented, timely, complete and accurate.</p> <p>Real time desk top budget information is available to budget holders across the City Council. Along with the training programme, this has put in place the relevant tools needed to strengthen the accountability and responsibility of budget holders and supporting 'self-service' functionality and capability</p>	<p>Financial Reports</p> <ul style="list-style-type: none"> <li>• <a href="#">Financial Reports 1st Quarter</a></li> <li>• <a href="#">Financial Reports 2nd Quarter</a></li> <li>• <a href="#">Financial Reports 3rd Quarter</a></li> </ul>
<p>Reserves strategy and forecasts are clearly set out in the Medium Term Financial Strategy and are monitored through the quarterly Finance updates. Opportunities for strengthening the reserves position are routinely considered as part of the account closure exercise.</p>	<p><a href="#">Medium Term Financial Strategy – City Council 26 February 2015</a></p>

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## APPENDIX 1

### Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

#### How we can demonstrate that the Council meets this principle

#### Evidence

The City Council continues to implement its programme of change and transformation and is committed to targeting the resources available to meet the needs of local people. During 2013/14 Cabinet members and directors agreed a programme of work that supported the Council's priorities, this has continued throughout 2015/16 and an intensive programme of work has ensured that the Council was able to present robust proposals for reshaping the delivery of council services. The proposals have undergone rigorous scrutiny throughout the decision making process, detailed reports were provided to Overview and Scrutiny Committees, Cabinet and Council. Executive Directors have responsibility for ensuring that the change programmes are implemented in line with agreed proposals.

[Corporate Services Overview and Scrutiny Committee 2 July 2015 - Transformation proposals](#)

Transformation Boards received regular reports outlining the progress against the change programmes. The Council's Transformation Programme Board was the primary decision making Board of the Transformation Programme. The Boards were active during 2015/16 and concluded their work in December 2015.

[Cabinet July 2015 - Delivery of Savings Targets](#)

Decisions taken by Cabinet are scrutinised by Overview and Scrutiny Committees and can be subject to call in and reviewed at the appropriate meetings. This is then reported in the minutes of the relevant bodies.

[Overview and Scrutiny and Call in Procedure](#)

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

**APPENDIX 1**

**Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks**

**How we can demonstrate that the Council meets this principle**

**Evidence**

The City Council’s assurance arrangements conform to the governance requirements of the CIPFA Statement on the role of the Role of the Head of Internal Audit (2010). Information on the work of Internal Audit is provided to managers and senior officers and is well presented, complete and accurate. Summary reports are provided to the Audit Committee on a quarterly basis.

Internal Audit’s self-assessment against the Public Sector Internal Audit Standards (PSIAS) shows that the service is being delivered to 91% of the required standard with areas for improvement being addressed. The standards require that an external review is undertaken against the once every 5 years. Arrangements for an external review will be considered by the Audit Committee during 2016.

[Internal Audit Charter](#)

[Self Assessment 2015](#)

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## APPENDIX 1

### Principle 5 – Developing the capacity and capability of Members and Officers to be effective.

#### How we can demonstrate that the Council meets this principle

#### Evidence

The Constitution sets out a Scheme of Delegation, Financial Regulations and Contract Procedure Rules.

[Constitution](#)

The Scheme of Delegation gives officers authority to act within the policies and objectives defined by the executive and the council as a whole. The scheme has been extended to Assistant Directors and work continues to extend further to strategic managers. The Financial Regulations underpin the effective management of the City Council's financial arrangements and the Contract Procedure Rules govern the making of contracts for and on behalf of the City Council.

These documents are comprehensively reviewed on a regular basis by the Constitution Working Group with amendments being approved by full Council.

[Constitution Working Group](#)

Accountability Agreements providing a clear definition of roles and responsibilities for Directors, Assistant Directors and Strategic Managers has been embedded within the financial and performance management culture of the City Council. The agreements require the management and delivery of services within the revenue / capital budgets provided and savings plans in conjunction with their respective finance leads. Areas of concern have been identified and are risk assessed and appropriate mitigation plans developed.

Accountability Agreements for Directors, Assistant Directors, and Strategic Managers in respect of Finance and Performance

The Council recognises that its employees are central to its success and the People Management Strategy was developed to underpin this. Training for staff is developed via information from annual performance reviews. The employee performance framework exists to promote performance and identify development needs.

People Management Strategy

For our elected Members, the Council produces an annual Learning and Development Plan supported by a calendar of training events and workshops. This approach has been externally validated and achieved the West Midlands Member Development Charter Standard.

[Role of a Councillor](#)

Councillor Induction Programme

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

## APPENDIX 1

### Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability.

How we can demonstrate that the Council meets this principle	Evidence
<p>The Council is committed to openness and transparency. Meeting items are only “Part 2” if they absolutely cannot be discussed in any other way. City Council and Cabinet Meetings are broadcast live on the internet, and are available online to be watched after the event.</p>	<p><a href="#">Webcast Meetings.</a></p>
<p>The Council recognises that community engagement is essential to secure sustainable improvements in public services. A key element of a new strategic approach has been the agreement of a Communications and Marketing Strategy by Cabinet in April 2014 and the local matters team proactively supports elected members and local groups with community engagement. During 2014/15 we progressed the ‘Stronger Together’ process; this was an extensive process of engagement with statutory partners, the voluntary and community sector and the local media which directly informed the Council’s priorities and budget strategy. This is a key priority for the new administration, and we are currently reviewing our approach to re-energise the Council’s relationship with citizens through community governance, community development and regular, structured engagement processes alongside partners.</p> <p>In February 2016 an council wide exhibition featuring the wide range of services provided by the council and other statutory agencies, along with voluntary and community sector providers working in health, skills/work, housing/communities, money matters, families/children, and advice came together to demonstrate how the council’s cooperative working initiative is delivering Services to the Community in new and innovative delivery models.</p>	<p><a href="#">Communications Strategy</a></p> <p><a href="#">Community engagement</a></p> <p><a href="#">Stronger Together</a></p>
<p>Employees receive a regular corporate newsletter in addition to service specific communication and briefings. Information is cascaded from Corporate Director Board and Leadership Boards to staff via Departmental Team meetings as necessary.</p>	<p>Our Staff Newsletter</p>
<p>In May 2016 the City Director held briefing sessions with staff to update them on the Council’s Stronger Together Vision. This followed the launch of the Council’s vision statement and strategic priorities to take the council forward for the next four years.</p>	<p><a href="#">Stronger Together Annual Delivery Plan</a></p>

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### Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability.

How we can demonstrate that the Council meets this principle	Evidence
<p>Engaging with our communities is essential to ensure that we are a resident led authority. Consultation exercises are carried out as required; for example, consultation on the Budget has become a regular component of the budget setting process. Many consultation meetings were held in 2015/16 to consult on the budget proposals for 2016/17, including Ward visits by members and senior officers.</p>	<p><a href="#">Budget Proposals 2016-17 - Stoke-on-Trent City Council</a></p>
<p>Enhancing the accountability for service delivery and effectiveness of other public service providers is demonstrated through the reporting mechanisms for joint arrangements, such as the Health and Well Being Partnership, Youth Offending Service - which delivers services in partnership with Staffordshire PCT, Staffordshire Police, Probation Services and the City Council.</p>	<p><a href="#">Health and Wellbeing Board - Stoke-on-Trent City Council</a></p> <p><a href="#">Youth Offending Service Plan and Governance Arrangements</a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2015/16

	<b>APPENDIX 2</b>
<b>Significant Governance Issues identified in 2014/15</b>	<b>Actions during 2015/16</b>
<p><b><u>Resources:</u></b></p> <p>The council, in common with most other public authorities, is facing an increasingly difficult financial and economic climate. Therefore it needs to focus strongly on aligning its scarce resources to its key strategic objectives. This will mean further developing the council's vision for the city of Stoke-on-Trent and identifying clearly the role of the authority in delivering that vision. It then follows that the authority can prioritise resources to ensure maximum benefit to the community it serves.</p> <p>In 2013/14 Cabinet members and corporate directors agreed a programme of work that supported the Council's priorities. In particular external advisors were engaged for a significant and intensive programme of work over the summer of 2014, which is contributing in proposals for reshaping the delivery of City Council services to its communities. Those proposals will result in reduced costs whilst seeking to maintain service standards for the priority areas. This programme aimed to increase the speed and pace of work started in previous years.</p>	<p>The final business cases for the work programmes were signed off during 2015/16 and the programme completed, leading to the savings proposals which were subsequently incorporated into the budget proposals for 2016/17. Further savings exercises are being pursued as part of the 2017/18 budget exercises.</p>
<p><b><u>Decision Making:</u></b></p> <p>It is essential that the member decision making process is fully informed and timely, especially when dealing with the development of innovative proposals.</p> <p>Work is on-going through a governance review and also through strengthening project and programme management to emphasize the importance of engaging in the democratic process at key points in the development of initiatives. With this it is therefore intended to deliver improved transparency of decision making and hence greater confidence in its robustness.</p>	<p>In 2015/16 proposals were presented to the council's newly elected administration setting out the frequency, format and scheduling of meetings for current and future municipal years. New arrangements such as Briefings for Shadow Cabinet are fully embedded in the arrangements of the authority and further changes to the Constitution and formal decision making process were introduced in March 2016.</p>

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<p><b><u>Recruitment:</u></b></p> <p>During times of change and of rapid development of initiatives, it is often necessary to secure additional capacity. It is important that all such capacity is recruited in a consistent manner, with appropriate approvals and financial arrangements in place from the outset.</p> <p>During 2015/16 the Human Resources and Procurement departments worked together in order to clarify the correct processes for securing people resources into the organisation appreciating that both speed and compliance is required. Improved guidance is to be distributed in the next few months.</p>	<p>Following the appraisal of a number of options for the procurement of temporary agency workers, a report was submitted to elected members setting out the proposed arrangements for the future procurement of temporary people resources. Further work is underway to provide guidance for managers involved in this process and will be available shortly.</p> <p>Lead Officer: Darren Pearce, Strategic Manager, Corporate Procurement</p> <p>(Ongoing)</p>

	<b>APPENDIX 2</b>
<b>Significant Governance Issues identified in 2015/16</b>	
<p>Any significant governance issues presented by External Audit will be provided with a management response and timetable and are reported to Audit Committee.</p>	