

West Sussex County Council Annual Governance Statement 2023/24

Executive Summary

The Annual Governance Statement (AGS) explains the processes and systems of the County Council's discharge of its responsibilities so as to give assurance for their effectiveness. It covers the period 1 April 2023 to 31 March 2024.

A summary of assurance is given for each of the seven principles on which the Statement is based. At the end of the narrative for each principle are the actions to address issues to further strengthen the Council's governance.

The Purpose of the Governance Assurance Framework

1. The County Council must ensure it functions in accordance with the law and proper standards and that public money is safeguarded, correctly accounted for and used economically and efficiently. It must show how it can offer assurance as to the proper governance of its affairs (including as pensions administrator), the effective exercise of its responsibilities and the sound management of risk.
2. The Council has a Code of Governance aligned with the principles of the Chartered Institute of Public Financing & Accounting (CIPFA) Framework: Delivering Good Governance in Local Government. It also meets the requirements of the Accounts and Audit Regulations 2015. The Code of Governance was agreed by the Governance Committee in February 2022.
3. The governance framework comprises the rules, procedures, systems and processes by which the Council is managed and controlled. The quality of the framework and how well it is used underpin trust in public services. This Annual Statement shows how the Council gives assurance to members, partners, stakeholders and residents that its governance arrangements are robust.

Financial Management Code

4. The County Council is required to comply with the Financial Management (FM) Code which CIPFA published in 2019. The Code provides guidance for good and sustainable financial management in local authorities and provides a framework for assurance that authorities are managing resources effectively. The FM Code is based on a series of principles. It does not prescribe the financial management process local authorities should adopt but it recommends that the authority demonstrates that it satisfies the principles of good financial management relevant to its size, responsibilities, and circumstances. An annual self-assessment has been undertaken and shows that the Council complies with all the principles of the Code as set out in Annex 2. However, in all areas there is potential for further improvements and to further embed good financial management, which will be the focus in 2024.

West Sussex Pension Fund

5. West Sussex County Council is the Administering Authority responsible for managing and administering the West Sussex Local Government Pension Scheme (LGPS) on behalf of its stakeholders: the scheme members and employers participating in the Scheme. Responsibility for the discharge of the Administering Authority responsibilities for the West Sussex LGPS sits with the Pensions Committee and as such the Pensions Committee is responsible for exercising the powers and duties of the County Council in its capacity as Administering Authority. As part of their

responsibilities the Pension Committee considers key scheme governance, funding and administration issues and as such the Pension Committee receives the necessary assurance that proper systems are in place and that there is a mechanism for ensuring that they are effective and any corrective action taken. These arrangements are codified in the Governance Compliance Statement and the Pension Committee’s assessment against the Pension Regulators General Code of Practice.

The Governance Assurance Framework Principles

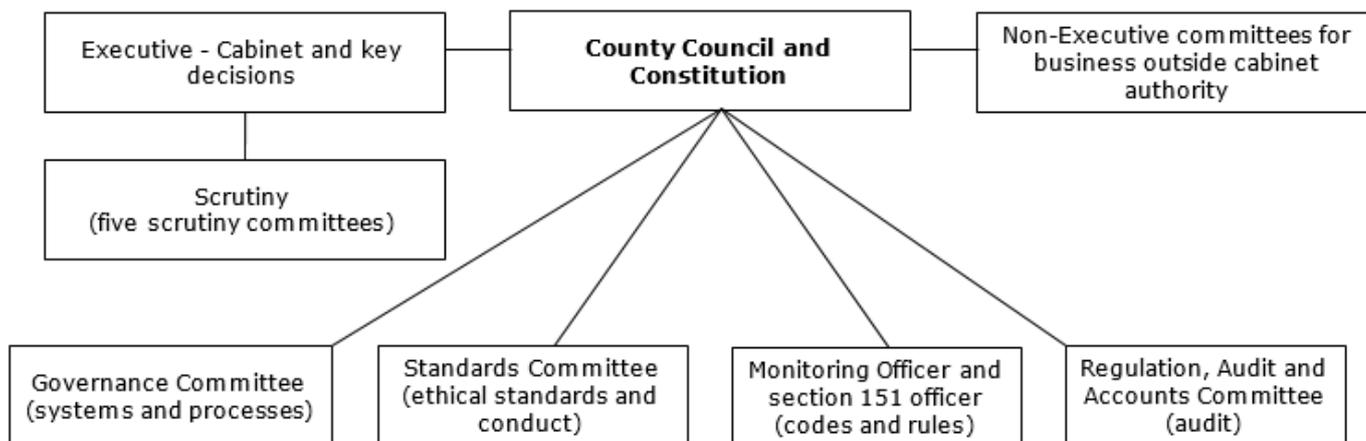
6. The seven principles of Corporate Governance adopted by the Council are set out below. Assurance for how they are met is provided in the text below each principle. Further work to be done is highlighted and set out in the appendix.

Principle	Description of Principle
A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimize the achievement of the intended outcomes
E	Developing the entity’s capacity including the capability of its leadership and the individuals within it.
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The County Council’s Governance Framework

7. The framework covers the allocation of functions, the rules for how they are carried out and the mechanisms for tracking that this happens correctly. The relationship of responsibilities is shown here:

The Governance Framework at West Sussex County Council



Notable Challenges in 2023/24

8. The County Council has continued to deliver its services during a period of high inflation and national, political and global events which have continued to have a significant impact on supplies and service costs and other factors, driving inflation and

supply chain disruption. The Council has had to manage a range of significant service pressures, within both adults' and children's services and community support demands arising from the impact of the cost of living for residents. The recruitment and retention of staff has been challenging in some services and remains a significant risk for the County Council, albeit significant action be being taken to mitigate this. The Council has been proactive in responding to the need for assistance for refugees and drawing on County resources as well as government funding in a complex and ever-changing set of expectations.

9. The County Council's business management system (SAP) needs to be replaced and a decision was taken in 2019 to implement a new Enterprise Management System covering finance, HR, payroll and procurement support systems. The programme experienced a number of setbacks due to various factors and was paused. A further decision was taken in May 2024 to commence the implementation of the Oracle Fusion solution with a stronger focus on business change to align business processes and ways of working to the new technology, strengthened and more carefully resourced programme management and governance supported by a new set of suppliers with a robust procurement and commercial strategy. The external auditor considered the project as part of their Value for Money work for 2022/23. This was reported to the Regulation, Audit and Accounts Committee in March 2024. EY made two recommendations which the County Council accepted, regarding strengthening the governance and risk management arrangements and ensuring the lessons learnt from the previous work are implemented. These will be reviewed through the project governance process.
10. External audit of the Council's accounts in 2022/23 has been affected by the national challenges to external audit capacity resulting in a delay in audit completions. The Council or its staff have played no part in this delay. The Council is anticipating that a disclaimed opinion, which is a modified opinion, will be issued for the 2022/23 accounts, as the external auditor is unlikely to undertake any assurance on the County Council accounts for 2022/23 and so is not able to provide an opinion on the financial statements. However, the Council's Value for Money opinion (see paragraph 85) and the audit of the Pension Fund accounts have been completed. It is anticipated that there will be an impact of the disclaimed opinion on the future years' audits, which would reduce in time.

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

The County Council has high standards for sound governance as set out in law, government guidance and the courts. It promotes a culture of compliance.

The Council's codes of conduct set out expectations and requirements for behaving with integrity for both members and officers. Action was taken to provide assurance that they continue to be implemented fully and correctly.

11. The **Governance Committee** oversees the democratic arrangements of the County Council and reviews and advises the County Council on the Constitution. The 'Responsibility for Functions' section (including the Scheme of Delegation) and Standing Orders require members and officers to ensure that all decisions are compliant with internal policies and procedures as well as with law and regulation. These give authority and certainty to the allocation of responsibilities in the Constitution and define the constraints on the exercise of authority.

12. Part 5 of the Constitution contains the Code of Conduct for members. A parallel code for officers sits in the suite of Human Resources policies. The Council has also adopted policies relating to responsibilities for ethical behaviour including equality and sustainability. Decision-making is supported by advice from specialist officers and internal guidance, financial regulations and standing orders that ensure compliance with these policies.
13. The statutory roles of the Chief Financial Officer (s.151 officer) and Monitoring Officer are set out in the Constitution and in the scheme of delegation. These officers provide oversight of propriety, lawfulness, ethical conduct and financial prudence. They have a direct reporting line to the Chief Executive and are involved in all major decision-making as part of the Executive Leadership Team and as well as being signatories to all key and other significant decisions. These statutory officers also maintain regular liaison over issues relevant to good governance and financial controls. They also sit on or chair the relevant governance board which oversee significant areas of the Council's governance of operational matters.
14. The **codes of conduct** define the standards of behaviour for members and officers. All members undertake training from the Monitoring Officer on the code of conduct and this was carried out successfully following the county council election in May 2021. A revised Code of Conduct was approved by the County Council on 16 December 2022, on the recommendation of the Standards Committee, which brought the Council's Code into line with a model code produced by the Local Governance Association.
15. Member conduct is monitored by the Standards Committee, which has a remit to deal with complaints of breaches of the member Code of Conduct. All members complete the register of interests and receive quarterly reminders on interest declarations. It is a standing item on all formal meeting agendas for both officers and members. The register is published and regularly updated.
16. The Council has a **whistleblowing policy** as a route for challenges to processes or actions within the Council where complainants need confidentiality. The use and effectiveness of the policy is overseen by the Standards Committee. Following its refresh in 2020 action has been taken to improve its accessibility and visibility for staff and to provide advice and guidance to officers responsible for dealing with referrals under the policy. This has included independent assurance and benchmarking for the Council's arrangements. This has relevance for the Council's commitment to a fair, open and responsive internal culture.
17. Officer interests, including gifts and hospitality, are recorded and should be published on the County Council's website annually. Mechanisms for recording officer interests, gifts and hospitality are in place. It requires regular action by Directors to update the records to enable publication and this is not consistent across the organisation. Action is taken each year as part of the AGS work to reinforce the importance of this process. The County Council expects to see an improvement in reporting and publication during 2024/25.
18. The Council's Standing Orders on Contracts and Procurement and the Financial Regulations and Procedures provide rules for lawful and sound processes for contract and spending decisions. These are managed by the Monitoring Officer and Chief Financial Officer in consultation with the Regulation Audit and Accounts Committee and supported by a group of officer subject matter experts sitting as the Procurement Board on behalf of the Executive Leadership Team (ELT). This provides a single process for procurement planning, compliance with due process and consistency of

best practice. These Standing Orders and Financial Regulations have both been subject to thorough review in 2023/24 and revised versions were agreed by the Council for incorporation into the Constitution in December 2023 and March 2024 respectively.

19. Following a review by the Governance Committee, the Council in December 2023 agreed that future changes to these Standing Orders and Financial Regulations will be agreed by the Council itself, on the recommendation of the Regulation, Audit and Accounts Committee.
20. The Officer Scheme of Delegation is held under regular review by the Chief Executive and the Monitoring Officer, with any new delegations needing the agreement of the Governance Committee and any adjustments to current delegations being within the authority of these two senior officers meaning that the scheme is fully up to date at all times and provides a reference for the schemes of onward delegation from Directors to their direct reports.
21. A new Code of Governance was approved by the Governance Committee in February 2022 and is published. An officer guide to council governance and decision-making was also developed as a single accessible source of guidance to officers on Council governance. It has been widely disseminated and also provides a source for officer training on governance, which has been successfully delivered to a large number of staff involved in decision-making processes.

Note on Teachers’ Pensions Enrolment Breach

22. In June 2021 the Council notified the Pensions Regulator of a breach of the Teachers’ Pension Regulations. This related to a failure over a number of years to auto-enrol some part time and casual teaching staff onto the teachers’ pension scheme as required following a change to the regulations in 2007. The Council appointed an external adviser to investigate the extent of the breach. Whilst the complexity of individual employee records has continued to be an issue, the Council has continued to make progress to identify and confirm those individuals in scope, and now has financial information for approximately 23% of impacted members, the value of which is considered immaterial. Previously the Council reported this issue as a contingent liability in the accounts, however, as work has progressed, the number of employees in scope has decreased. Given the immateriality of the breach, it is not considered necessary to include this as a contingent liability in the 2023/24 accounts.

Principle A Actions (integrity and compliance)

Action	Owner
i. To ensure full implementation of arrangements for the registering and publication of officer interests (continued from 22/23)	Director of Law and Assurance (L&A)
ii. To ensure full implementation of the plan to address the Teachers’ Pension Breach (continued from 22/23)	Director of Finance and Support Services (F&SS) and Director of Human Resources and Organisational Development (HR & OD)
iii. To plan and implement a periodic review of the Anti-Bribery Policy	Director of L&A and Director of F&SS

B: Ensuring openness and comprehensive stakeholder engagement – Assured

The County Council has clear decision-making processes and rules and procedures to enforce them which emphasise openness and transparency. This has been tested and shown to be resilient during the pandemic and its impact on ways of working and change to service pressures.

Compliant standard consultation and engagement mechanisms are in place and are used effectively.

The County Council exists to serve its residents and is dependent on a wide range of stakeholders for working effectively in partnership. Work is underway in a number of areas to improve the Council's partnership arrangements.

The approach to partnership working in specified areas, most significantly joint commissioning with the NHS, continues to be reviewed and reappraised as part of a strategic review of Adults Services and its focus on commissioning arrangements, following the launch of the NHS Integrated Care System.

Decision-making and Scrutiny

23. The **County Council** is the senior decision-making body and the principal forum for political debate. All County Council meetings take place in public and are webcast. The County Council sets the strategic aims that form the Policy Framework. It also determines the Council Plan and budget following a well-developed process of member engagement and internal scrutiny, reviewed annually.
24. The **Executive** (leader and cabinet) takes decisions on most matters of Council policy and service delivery. Collective cabinet decisions are taken at a meeting held in public. The non-Executive responsibilities of the council are discharged through its **non-Executive committees** as described in the Scheme of Delegation. The County Council appoints members to **scrutiny committees**, by which the Executive is held to account by the non-executive members. Scrutiny committees are politically proportionate. Chairmen and vice-chairmen are appointed by the relevant committee. They also meet in public and are webcast.
25. As well as the Cabinet, the scrutiny committees undertake quarterly performance and finance monitoring of the Council's corporate priorities, provide input into policy development and ensure significant decisions or proposals are scrutinised in public ahead of consideration by Cabinet. Proposals may also be called in for scrutiny after a decision has been proposed in final form. An annual report of scrutiny activity is presented to the County Council each summer, setting out best practice and highlighting key aspects of scrutiny activity.
26. An Executive-Scrutiny Protocol was agreed by the Council's Governance Committee in September 2022 and reaffirmed following review in September 2023. This is in line with national guidance on overview and scrutiny in local authorities. It describes the working arrangements between the Cabinet and Scrutiny at the Council, complementing the Code of Governance and the rules and procedures in the Constitution. It provides a framework for how they will work together most effectively and is monitored jointly by scrutiny committee chairmen and the Cabinet.
27. Other meetings of significant public interest are webcast, including the Planning and Rights of Way Committee and the Health and Wellbeing Board. Webcasts are available to view for up to six years.

28. **The Forward Plan** describes all significant (key) decisions planned to be taken in the following four months and is published and updated at least monthly. The Forward Plan gives the public, press and elected members notice of forthcoming key decisions and is used by scrutiny committees to help plan their business. For decisions that are particularly significant in terms of service changes and policy proposals there is a greater need to ensure early awareness by and engagement for all members and briefings may be provided on these where relevant. Scrutiny committees use their business planning groups (a smaller group of committee members) to help ensure the right focus of business.
29. **Decision-making** operates with a presumption of openness. Cabinet and committees are held in public and individual Executive decisions by cabinet members or senior officers in accordance with the Scheme of Delegation are published on a daily basis on the Council's website. The Council uses an electronic notification system to automatically notify subscribers to meetings or actions by the Council in which they have expressed an interest. Agendas and reports for Cabinet and committee meetings are published at least five clear working days in advance. Any exceptions are explained in public documents. The use of powers to exempt information from publication or allow a committee to meet in private is minimised to when necessary and following senior officer advice.
30. Decisions and agendas are held on the website for six years. The content management system, Modern.Gov, is the principal method of publishing the Forward Plan, decisions, agendas and minutes. Members and staff have portable devices which can easily access Modern.Gov information. The Constitution also prescribes the rules and constraints around **urgent or short notice decisions** (including those not notified in the Forward Plan) and the form and content of decision reports when urgent action is used. The use of urgent or short notice decisions is not conducive to openness and transparency and is kept to a minimum. Any key decisions taken urgently are reported for noting to the next County Council meeting. A full review of urgent and short notice decisions was undertaken in August 2022 to simplify and clarify the relevant rules and procedures. As a result of this, a new set of Standing Orders on urgent and short notice decisions was incorporated into the Constitution after approval by the Council in October 2022.

Working Virtually

31. **Virtual Working** - Since June 2021 all formal council and committee business has been fully compliant with the statutory framework requiring physical meetings in public. Some non-decision making meetings have continued to be held virtually in 2023/24 but decision-making arrangements were largely unaffected. The County Council prioritises transparency and democratic accountability and member committees had a full programme of meetings. Virtual briefings for councillors and digital engagement activities have taken place with stakeholders and witnesses advising committees, with learning from these arrangements to be built into future ways of working. The Governance Committee has reviewed meeting arrangements with a focus on ensuring openness and transparency and the best use of resources.
32. **Communication to the public** www.westsussex.gov.uk is the 'Digital front door' to the whole Council. The website gets about 5 million visits per year. Customers can self-serve accessing a range of information and services including waste and recycling, libraries, jobs, bus passes and school admissions. The website is also accessible for disabled users and has an accreditation from [Shaw Trust](#), an organisation that specialises in testing public sector websites against accessibility standards. The website works on phones and tablets. It is a gateway to apps and

websites that let customers book and pay for services. This supports the organisation's goals, ensuring customers have choice of channels when contacting the Council. This frees up resources to manage more complex cases. There are plans to introduce new digital technology on the website. This will include chatbots and web chat. This will add new ways for our customers to talk to us. This will also free up officer time to focus on those cases where customers need extra help. Public consultation on policy and service proposals is addressed below.

33. A review of sub-sites has recently been carried out by the website team. 12 were found not to be compliant with accessibility regulations and action is required to correct this to ensure compliance and enable all customers to benefit from these routes for accessing services. Each Service will be required to prepare plans to achieve compliance as soon as is practicable.

Stakeholders and Partnership

34. The County Council works with a range of stakeholders. This includes other local authorities, the NHS and Sussex Police. Other tiers of local government are important partners in many areas of service delivery, strategic planning and community and local economic and place-based development. There are both formal and informal forums in place for regular liaison with elected members and senior officers in the district and borough councils, including regular meetings of all of the leaders of the councils (West Sussex Leaders' Board), to discuss issues of common interest and regular meetings of all chief executives (West Sussex Chief Executives Board). The governance of and scrutiny route for the council partnership to manage and deliver the retained business rate pool is refreshed each year are well established.
35. Regular meetings with other partners, most notably the NHS Integrated Care System (ICS), are held at various levels and between Members and officers on operational, commissioning and service planning. For a number of years the Council has operated a joint service commissioning and pooled budget agreement with the NHS to cover a range of social care and NHS services. These were the subject of a comprehensive review during 2023/24 which continues. The Chief Executives of the Council and NHS Sussex have agreed to progress a review of the current pooled budget agreements between the Sussex ICB and the council. As the current agreement ends in March 2024, a 12-month extension has been applied to manage a safe and smooth transfer of functions from 1 April 2025.
36. The terms of reference and membership of the **Health and Wellbeing Board**, the principal forum for health and social care liaison and partnership, were last revised in 2022 to take account of the changes linked to the establishment of the ICS. The Board plays a critical role in the development and confirmation of the strategic planning of the ICS. In addition, a Joint Health and Wellbeing Strategy was developed to set out the Board's vision and this is being promoted and disseminated within the Council and through various corporate and partnership initiatives. The Health and Wellbeing Board is being reviewed with support from the Local Government Association and its terms of reference are likely to be amended as a result of this work in 2024/25. This follows extensive stakeholder engagement in the last quarter of 2023/24.
37. Improvements have continued in the partnership arrangements for **Children's Services**, with a more effective focus on partnership and joint working. Ofsted carried out a full Service inspection in March 2023 and the result, published on 11 May 2023 found that the Council had improved its services to an overall 'Requires Improvement' rating, and with 'Good' elements, including in leadership and management. This should provide greater reassurance for and grounds for confidence in the partnership

working which is critical to service effectiveness. An Ofsted inspection of the Special Educational and Health Needs assessment systems operated jointly with the NHS was carried out during 2023/24 and reported at the end of February 2024 and contained significant areas of assurance as well as confirmation of areas for improvement which the relevant services in both bodies had already identified and settled plans to address. These plans are due for scrutiny by members early in 2024/25.

38. The County Council is committed to working in partnership with residents, businesses, communities, the voluntary and community sector and local authority partners. There are agreed partnership principles with the voluntary sector for the commitment to more effective ways of working together, building stronger alliances and empowering joint action.
39. The key internal services of Internal Audit and Pensions Administration are provided in partnership with Hampshire County Council. Governance arrangements for the Hampshire Partnerships are subject to partnership agreements which set out how each partner in the respective arrangements will proportionately share costs, benefits and liabilities of the joint services. All partners, including the Council, are engaged in taking forward the strategic governance and oversight of the partnerships and details are set out in the respective partnership agreements. An annual review of performance takes place between the Chief Finance Officers at West Sussex County Council and Hampshire County Council.

Consultation and engagement in West Sussex

40. The County Council is committed to working with residents, businesses, communities, service users and partners to help prioritise what it does, to have a say over the approach and to get involved in delivery and change. This requires sound arrangements for engagement and consultation.
41. The Council uses a variety of ways to engage residents and other stakeholders - publications (printed and digital), press releases or social media to keep people informed of plans or decisions. The Council uses various methods to seek people's views: questionnaires, public events, workshops, focus groups, satisfaction surveys, and feedback forms. In preparation for the planned public and partner consultation and engagement for the County Council's Plan and budget proposals for 2024/25 a review of the approach to the consultation approach was undertaken. The effectiveness of the consultation exercise was also the subject of a review following its completion and further improvements to increase engagement is planned for the 2025/26 process.
42. **Consultation and Engagement Quality Assurance** is a set of processes to ensure services are supported to plan and implement projects which are robust and produce reliable valid data upon which decisions can be made. It includes methodological and ethical requirements and, before projects go live, services must seek advice to ensure they have assurance for consultation and engagement. There is a continuing review of whether all projects that would or should benefit from this approach are doing so and this will include the development of the annual budget and the Council Plan priorities, as occurred in 2023/24.
43. Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation, or where there is a service or policy need to do so. Consultations are carried out in accordance with current national [Consultation Principles guidance](#), and the Council's [Statement of Community Involvement](#), related to land-use planning. Individual services are required to maintain open channels of

communications with relevant stakeholder groups and representative bodies where relevant to service planning.

44. All formal public consultations and engagement projects are made accessible online using the [‘Your Voice’ engagement hub software](#). They are also published on the County Council’s news and press release webpages and are highlighted in the residents’ e-newsletter. The Council ensures compliance with the public sector equality duty when processing and securing formal key decisions although consistency and appropriateness of use requires further attention to ensure consistent compliance. Internal guidance on the Consultation, Engagement and Research portal was refreshed in 2023.
45. The information gathered is analysed and considered as part of decision-making. The protocol can be found in the [Constitution](#). Analysis reports and decisions are made available on the [‘Your Voice’ engagement hub webpages](#) as a means of closing the ‘feedback loop’ and increasing trust in decision-making processes.
46. Action was taken to increase the effectiveness of public engagement and communication, including raising awareness of the need to ensure that all projects comply with new online accessibility legislation. Work on improving understanding of, and compliance with the public sector equality duty has been completed and will be reinforced using guidance, best practice and focused training in areas in which risks have been identified. The ‘About You’ socio-demographic template used by the Council has been updated to align with the Office of National Statistics 2021 Census data.
47. The County Council’s **Petitions Scheme** describes how petitions from residents are dealt with by the Council. These enable a petitioner to speak with a cabinet member or at a committee, or to address a meeting of the County Council if prescribed thresholds for numbers of signatures are reached. A response is made to each petition, explaining what the Council will or will not do.

Principle B Actions (openness and engagement)

Action	Owner
i. Continue to improve consultation and engagement with the Council Plan and Budget as part of the annual business planning process.	Director of Finance and Support Services
ii. Review the County Council website sub sites to ensure they are accessible for disabled users and meet the requirements of the accreditation from Shaw Trust .	Director of Finance and Support Services
iii. Review of the current pooled budget agreement between the Sussex ICB and the Council to come into effect from April 2025.	Director of Adults and Health and Director of Finance and Support Services

C: Defining outcomes in terms of sustainable economic, social and environmental benefits Assured

The County Council has settled arrangements to define priority outcomes and monitor performance against agreed targets. These are set within the context of its strategic aims for supporting the economy, complement the social value policy of the Council and are settled against an ambition to address sustainability to support the Council's climate change commitments.

In setting policies and strategies, the County Council takes a long-term view of outcomes, taking into account sustainable economic, social and environmental aims and has comprehensive performance monitoring arrangements in place.

The Council Plan was originally adopted by the Council at its meeting in February 2021 following extensive member engagement in identifying service priorities and how best to monitor their achievement. It covers the period 2021-25 and is refreshed each year. Performance has been monitored in a structured, timely and transparent way by the leadership team and by members in public in the Cabinet and through each scrutiny committee.

These corporate outcomes and the measures for their delivery are, as a matter of course, considered in the preparation of Directorate and service plans, influence financial decisions and in all significant decisions, the latter being recorded at the point of publication.

48. The Council Plan 2021-2025 outlines the priorities for the County Council and how they are to be assessed in terms of delivery and measures to monitor performance. It was approved by the County Council in February 2021 and is subject to programmed quarterly performance monitoring. The Plan was developed by the Cabinet and the Executive Leadership Team with the extensive engagement of elected members, scrutiny committees, partners and staff at all levels. Member oversight of the plan takes place in public and the plan is subject to annual review at the Council meeting which considers and approves the Council's budget and capital programme. The third review took place at the County Council meeting in February 2024.
49. The Council Plan is implemented through the Directorate Business Planning process. In July 2023 the Council published its Medium Term Financial Strategy which set out the financial framework for delivering the Council Plan over the period to March 2029, and the Council set a balanced budget for 2024/25 in February 2024. Comprehensive performance reports by the Cabinet and scrutiny committees is undertaken through the **Performance and Resources Report** which includes financial monitoring information covering both revenue and capital and other corporate performance data on staffing and corporate risk management.
50. Detail of its use and the data monitoring and analysis undertaken by the Council are covered in section D. Active monitoring of performance is undertaken through regular reviews of business plans by Directorate Management Teams and with all staff through individual performance conversations which also cover staff development. This is also covered in Section D (60-61 below).
51. There will be a continuous review of how well the Council's performance is monitored by officers and by members, both executive and scrutiny during the year ahead. This is to ensure member have the tools, skills and support to undertake effective

performance monitoring and the verification of performance reports and other sources of assurance in the context of agreed priorities.

The Council and the local economy

52. The County Council is committed to championing the economy of the area. One of its priorities is to ensure West Sussex is a prosperous place and for the county to continue to thrive through supporting local businesses and place based and community initiatives. The **Economy Plan**, adopted in November 2020, sets out the County Council's priorities in supporting the resilience and prosperity of the county. The published Plan covers the period 2020 to 2024 and has nine priority themes setting out where the Council will focus its efforts and resources. It is subject to annual or more frequent review and refresh.
53. The planned transfer of the responsibilities of Local Enterprise Partnerships to upper tier local authorities took effect at the end of 2023/24 and required extensive engagement with the Government and with partner local authorities as well as with the partners within the Coast to Capital LEP. The Council has been working closely with Surrey County Council and Brighton and Hove City Council to put in place arrangements to assume lead responsibility for strategic economic planning and the Growth Hub service in West Sussex, taking on these functions from the LEP. Alongside this the Council has been working with partners and stakeholders in West Sussex, especially the district and boroughs and business leaders to develop an economic collaboration plan.
54. The County Council has adopted an ambitious 10 year [Climate Change Strategy](#) with two key aims for the Council to be both carbon neutral and climate resilient by 2030 an ambition adopted at a meeting of the Council in April 2019. The Strategy aims to set out the Council's plans to meet the ambition of the climate change commitment underpinning the Council Plan and was approved by members in July 2020 after member engagement and scrutiny.
55. The officer Climate Change Board oversees delivery on climate change ambitions on behalf of the Executive Leadership Team. The governance of the Board was audited for effectiveness in spring 2021 and was rated as 'reasonable.' A second internal audit was completed through spring 2022, looking at how climate change ambition is reflected in governance, and the rating was 'reasonable.' The final audit report for 2021/22 stated 'there is a generally sound system of governance, risk management and control in place.'
56. The Sustainability Team, with responsibility for oversight of the Strategy and its realization has been expanded along with a wide range of activities to deliver the goals of the strategy, including the development of a programme of works to decarbonize the corporate estate, the rollout of an organisation-wide Carbon Literacy training offer, the agreement of a Climate Action Plan for Highways, Transport and Planning and the introduction of climate change considerations into major new procurements. The Corporate Risk Register includes two risks relating to climate change – one to manage climate change mitigation and one for climate change adaptation. These are reviewed quarterly by the Regulation, Audit and Accounts Committee.
57. [The Council Plan](#) (2021–2025), approved in 2021, is underpinned by the ambitions of the Council in responding to the challenges of climate change and the protection of the environment. A long-term plan for the delivery of the Climate Change Policy, to be known as the Climate Action and Adaptation Plan (CAAP), is under development

involving all directorates and will be integrated into the business planning process for the year commencing April 2024. The CAAP will cover the period to 2030. Quarterly reporting to Cabinet and monthly management reporting (internal) will highlight progress on key climate change indicators.

58. The West Sussex Transport Plan (WSTP) is the County Council’s principal policy on transport planning and supports delivery of the Council Plan priorities. It was approved on 1 April 2022 by the Cabinet Member for Highways and Transport and sets out how the County Council intends to address sustainability by improving, maintaining and managing the transport network in the period up to 2036. Responding to climate change is a key priority of the plan, balanced with the need to protect and enhance the environment and prosperity of West Sussex. The Plan was also submitted to the Transport for the Southeast Board to promote integration in the region to support that Board’s own planning.
59. The Council has a **Social Value Framework** which identifies and explains the benefits of ensuring that policies, business plans and service procurements consider and address their impact upon local communities, the local economy, the lives of residents and the places of the County. The framework was first developed in 2015 and is currently under review and will be published in 2024 alongside an updated Procurement Strategy to address the requirements of the Procurement Act that will come into force in October 2024. Social Value has been incorporated into procurement practice and processes, any impact being recorded in published decision reports. The Social Value Framework is being embedded to ensure it is coherent with the Council Plan priorities, the refreshed Economy Plan and the Climate Change Strategy as well as changes to the environmental, social and economic context of the Council’s activities.

Principle C Actions (defining outcomes and benefits)

Action	Owner
i. Annual refresh of Council Plan	ELT
ii. Review of Social Value Framework	Director of Finance and Support Services.

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

Significant progress has been made on improvements to Children’s Services and the Fire and Rescue Service and follow-up inspections have been positive in confirming that the County Council is improving, while still needing to improve further.

Comprehensive plans are underway across Adults Services for its improvement programme and in anticipation of a CQC inspection. This extends to the governance and strategic planning changes arising from the introduction of the new Integrated Care Board and the reframing of integrated service planning.

The County Council takes decisions on interventions based on the priorities agreed in The Council Plan. In areas identified for improvement systems for governance, oversight and scrutiny of interventions have had particular focus. Proposed interventions are recorded through Directorate Business Plans for timely outcome delivery, overseen by the relevant Management Team.

60. All Directorates are expected to prepare and monitor Business Plans which set out the actions required to meet the outcomes set in the Council Plan and the targets and measures used to monitor their delivery. These are in place and will be reviewed regularly and will be updated and refreshed as needed as part of the annual refresh of the Council Plan by the County Council.
61. The public facing **Performance Dashboard** provides details on progress on the key indicators of the Council Plan. This is underpinned by the business assurance framework which, together with the corporate performance dashboard provide assurance that the Council's priorities are implemented. The Cabinet reviews the performance dashboard as part of the Performance and Resources Report (PRR) and it is scrutinised by each of the Scrutiny Committees, the full dashboard being referred to Performance and Finance Scrutiny Committee through the PRR.
62. The Performance & Insights Team has developed and implemented a reporting tool which provides data on the corporate health of the organisation. This is reported to the Executive Leadership Team on a quarterly basis, complementary to the performance dashboard, and supplemented by focused data on critical service areas. The Council is also responding to the performance and productivity data being published by the new Office for Local Government (Oflog) to compare the performance of local authorities nationally. The Executive Leadership Team, with support from the Performance & Insights Team, has agreed a performance management and governance framework for 2024/25.
63. The **Performance and Resources Report** (PRR) provides an overview of performance against the priorities within the Council Plan and tracks financial performance to ensure intended outcomes are kept in focus and expenditure controlled. The Performance and Resources Report focuses on the delivery of:
- Council Plan and Performance Measures
 - Medium Financial Term Strategy and in-year budget
 - Culture and Workforce
 - Service and Corporate Improvement
 - Corporate Risk Management
64. Executive (member or officer) **decision reports** provide the public record of all significant decisions to implement service plans and spend. They are required to show the intended outcomes, the rationale for the proposal, implications for Council resources, other options considered but not pursued, advice received, consultation undertaken and how risks are managed.
65. The Executive is supported by a number of officer boards chaired by senior officers to ensure oversight of strategic areas of Council business on behalf of the Executive Leadership Team. These boards co-ordinate subject matter expertise as well as overseeing arrangements for the delivery of priorities at an officer level prior to member consideration. They comprise a board to oversee capital programme planning, one for the climate change strategy and one for strategic procurement. Each board is chaired by a member of ELT.
66. The boards were reviewed during 2022 to provide greater understanding of their purpose and output for both officers and members and to ensure their effectiveness in delivering corporate aims in a timely and transparent way. They are also described in officer guide to governance to assist in making their work and purpose better understood. They will be further reviewed during 2024/25 to ensure their alignment

with their respective aims and to ensure a full understanding of their function, purpose and value within the governance of the Council.

Service Improvement activity

67. Ofsted has continued to carry out regular inspections of the Council’s Children’s Services. The output from these inspections monitors and informs the continued improvement interventions for the service. Service improvement continues to be driven by the Director of Children, Young People and Learning and the Cabinet Member, and is scrutinised through the Children and Young People’s Scrutiny Committee. Ofsted carried out a full inspection in March 2023 and the result published on 11 May 2023 confirmed that the Council has improved its services to an overall ‘Requires Improvement’ rating, with ‘Good’ elements, including in leadership and management. Positive inspection reports of specific elements of the service were also published during the year, which ended with a positive review of the SEND services shared with the NHS, with a positive assessment of the improvement activity underway.
68. The implementation of the improvement plan adopted following the first inspection of the Council’s Fire and Rescue Service by Her Majesty’s Inspector of Constabulary and Fire and Rescue Services (report published on 20th June 2019) has continued. A third inspection has been fully prepared for, expected to be completed during the first half of 2024/25. There are regular member updates to Cabinet and the dedicated Scrutiny Committee on improvement activity. Service improvement will continue to be monitored through these channels.
69. In February 2022 the Cabinet approved a new strategy for Adults Services, developed with extensive partner, service user and member engagement. This work took place in parallel with the implementation nationally of integrated care services with the NHS across Sussex and its impact on strategic planning for Adults Services and public health responsibilities. These developments have meant significant areas of change for service delivery, performance, systems to support practice and commissioning – including that undertaken jointly with the NHS. Strategic outcomes for Adults Services and Public Health will be the subject of oversight by the Health and Adults’ Social Care Scrutiny Committee. It is expected that the Care Quality Commission will undertake an assurance visit of the service as part of a comprehensive inspection, during the next 12-18 months. The Service has undertaken a full self-assessment of its service quality and delivery in anticipation of the inspection, which has been publicised and reviewed by the Cabinet and scrutinised by the Health and Adult Social Care Scrutiny Committee.

Principle D Actions (interventions for outcomes)

Action	Owner
i. Completion of the review of officer governance boards to ensure their alignment with their respective aims and to ensure a full understanding of their function, purpose and value	Director of Finance and Support Services and Director of Law and Assurance

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it - Assured

Officers and members are expected to have a clear sense of their purpose, roles and responsibilities. This has been reinforced by the work on the County Council Plan and the business planning activity underpinning its delivery. The programme of member development has also focussed on this.

The Executive Leadership Team manages the Council's workforce, skills and resource planning in line with its People Framework. Recruitment and retention are key areas of workforce planning as recruitment remains challenging. All officers are expected to have their performance monitored and their development needs identified and met. Specific attention is paid to leadership development. Work continues to enable the Council's leaders to promote a positive and supportive culture and to provide the means of enhancing or reinforcing good leadership skills.

A system is in place to ensure that all elected members have an understanding of their roles and responsibilities when appointed or elected to particular positions within the Council. Members are supported to fulfil the expectations and demands of their roles as local member and those to which they may be appointed.

Members are also expected to meet the expectations for development, knowledge and awareness as set by the Council's Member Development Group.

70. Arrangements for the County Council's member appointments to specific roles are open and set out in the Constitution. The Council elects the Leader who decides the composition and responsibilities of the Cabinet and members appointed as cabinet advisers, for which role profiles must be settled with the Director of Law and Assurance. The Council, at its public meetings, makes appointments to all committees and changes can be made at each Council meeting. All terms of reference of member committees and boards are published and there is a system for reviewing and refreshing them. Governance Committee carries out such reviews as and when required.
71. **Member roles** – Executive and non-Executive roles are defined and published within the Constitution on the Council's website and as part of the internal Members' Intranet (the Mine). The member induction and training programmes cover all aspects of member roles. All member training and development sessions have attendance and feedback recorded.
72. The knowledge and development needs of members are identified and addressed through a cross-party **Member Development Group** (MDG). This group reports to the Governance Committee and oversees the delivery of a planned programme of member training and development which is underpinned by a Member Development Strategy, to ensure members' training and development reflects both their personal needs and Organisational requirements. All members are contacted annually to review their training needs. Feedback from this process helps to shape the member training and development offer. MDG reviews the impact of member development and identifies areas for improvement. The Member Development Programme achieved Charter of Councillor Development status in November 2020 and a successful reaccreditation has been confirmed in April 2024.
73. Specialist training is given to members according to the roles they carry out. This includes a leadership development programme for Cabinet Members and other members in senior positions, such as political group leaders. There is also tailored

training for members of scrutiny committee members, members of the Regulation, Audit and Accounts Committee, Planning and Rights of Way Committee, the Pensions Committee and the Appeals Panel. Some training for members is identified as mandatory (code of conduct, safeguarding, corporate parenting, equalities and data protection/cyber security). Different options for completion of this training are provided, including through online training modules. Completion of this mandatory training is monitored by the MDG and by political group leaders.

74. The Council has no higher duty than the protection of vulnerable people to whom it owes a statutory duty of care and DBS checks provide a first level of assurance that an individual in a position of trust does not present a direct risk of harm to such individuals. Although being a councillor does not require a DBS to be undertaken, the Governance Committee agreed that all members should be required to complete a standard Disclosure and Barring Check (DBS). Enhanced DBS checks are required for the County Chairman and Vice-Chairman, the Leader and all Cabinet Members, Corporate Parenting Panel members and Foster Panel members.

Officers

75. Statutory roles include the designation of the Chief Executive as Head of Paid Service, the Director of Law and Assurance as the Monitoring Officer, and the Director of Finance and Support Services as Chief Financial Officer. Other critical statutory and leadership roles and their responsibilities are described in the Council's scheme of delegation.
76. All Directors are required formally each year to give assurance as to their compliance and that of their service with a range of requirements and expectations of them as senior leaders within the Council. The leadership team has agreed the approach to enable them to provide appropriate assurances – referred to as **Directorate Statements of Assurance**, to be completed to accompany the final sign off of this Governance Assurance Statement.
77. New guidance for officers on Council governance arrangements was produced during 2022/23, providing information in one place on all aspects of the processes that officers may need to know about and work with. This includes details of officer delegations and responsibilities, how decisions are taken and the roles and responsibilities of councillors. It provides detailed advice to help officers navigate processes and get things done in a compliant way. Training for officers on decision-making and report-writing is also provided internally, focussed on officers most likely to have a need to be familiar with decision-making processes.
78. The Monitoring Officer and Chief Financial Officer have a place on the Executive Leadership Team, which comprises the three service Directors in addition to the Chief Executive, Director of HR and Organisational Development and the Chief Fire Officer. The Director of Public Health, who reports to the Director for Adults' and Health, attends ELT to ensure public health is embedded across the County Council and its partnerships.
79. All Directors and most Assistant Directors undertake the role of 'duty director' on a rota basis alongside the Chief Executive, to provide a source of authority and direction during critical incidents outside office hours. Training and guidance on the discharge of this role is provided. The officers are also required to complete police and national vetting procedures in order to participate in Gold command activities during incidents.

80. All levels of management within the Council have a designated role profile and these profiles are accessible via the Council’s intranet. Officers are given copies of their role profiles on appointment and are supported through induction training, their personal development review and supervision in understanding and developing their roles. Internally published HR procedures cover all aspects of performance and procedure to support managers.
81. Personal development priorities are agreed through a personal development review process. There is an established programme of induction training for new staff. Training is available increasingly through an online learning system and mandatory annual refresher online training is heavily promoted to all staff. Leadership skills and development for senior officers has been addressed as part of the development of the workforce strategy through the People Framework.
82. Issues of capacity and service resilience to ensure service effectiveness are covered through workforce planning as part of directorate business planning. Areas of particular risk are identified. Specific attention has been required over recent years to manage challenges in adults’ and children’s social care where both recruitment and retention have been problematic with expected adverse impact on service quality and consistency. Action to address these issues remains an area of particular focus. A broader workforce strategy (People Framework) is in place. Recruitment and Retention remains a high risk on the Corporate Risk Register and updates are regularly reported to the Performance and Finance Scrutiny Committee. Management actions are being progressed following a limited assurance result from an internal audit review on strategic workforce planning.

Principle E Actions (capacity and leadership)

Action	Owner
i. Completion of Directorate Statements of Assurance	Director of L&A

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

Risk management is robust overall and risks are being considered during business planning and decision-making processes, corporately and across all services. Regular reporting to ELT and Cabinet is in place with risk management and internal audit progress reported together.

Service and corporate performance management has been addressed earlier in the report. Corporate risk management is reviewed regularly as part of the Performance and Resources Report. Corporate risks are routinely monitored by ELT and directorate level risks are routinely monitored by Directorate Management Teams.

The County Council has robust internal financial controls in place, displays strong public financial management and operates systems to manage risks and performance which are subject to both internal and external review as well as member oversight through committees meeting in public.

Health and Safety oversight and management is covered through established procedures and governance and their effectiveness reviewed by ELT.

83. The Constitution sets out the rules, its Financial Regulations, to ensure robust internal control over the Council's finances. The system and arrangements for financial performance management and budget monitoring demonstrate sound internal monitoring and control and have formal and well published arrangements for member and officer oversight and transparency.
84. The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures which comply with the CIPFA "Good Practice Guide for Financial Regulations in a modern English Council". Control is maintained through regular management information, supervision, and a structure of delegation and accountability. A review and refresh of the Council's Financial Regulations was completed during 2023/24 and the outcome endorsed by the Regulation, Audit and Accounts Committee.
85. External audit of the Council's accounts in 2022/23 has been affected by the national challenges to external audit capacity resulting in a delay in audit completions. The Council or its staff have played no part in this delay. The Council is anticipating that a disclaimed opinion, which is a modified opinion, will be issued for the 2022/23 accounts, as the external auditor is unlikely to undertake any assurance on the County Council accounts for 2022/23 and so is not able to provide an opinion on the financial statements. However, the Council's Value for Money opinion and the audit of the Pension Fund accounts have been completed. It is anticipated that there will be an impact of the disclaimed opinion on the future years' audits, which would reduce in time. The Value for Money report for 2022/23 identified no significant weaknesses for financial resilience but did highlight weaknesses with the Council's ERP replacement project (Smartcore). Two recommendations were made, one relating to strengthening the governance arrangement and the other to strengthening the programme management arrangements, both of which have been addressed as part of the revised business case and decision to re-start the programme. The Council's external auditors are intending to carry out the audit for 2023/24 in summer 2024.
86. The 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' and the Financial Management Code. A continuous review is maintained. A full review of Financial Regulations and Procedures was undertaken and a new version of Financial Regulations was approved in 2024 following review by the Regulation, Audit and Accounts Committee.
87. Each Director is required to conduct a full review of internal governance systems for their area of responsibility, through an assurance mapping process. The statements made, based on the assurance mapping, are checked to identify broader governance issues. Evidence of assurance given is supplemented in the annual assurance statement for each directorate. These include actions for improvement. From both sources, significant governance implications are included in this document. This covered in Section E above (paragraph **75**).

Scheme of Delegation for officers

88. The officer scheme of delegation is critical for the effectiveness of controls of spending and lawfulness as well as internal authority for operational actions. It is kept under review by the Director of Law and Assurance. Directors are required to ensure and confirm the effectiveness of the scheme of officer onward delegation within directorates and have worked with the Director of Law and Assurance to ensure that there is shared understanding by the relevant officers of the operation of delegations and the need to continually review them.

89. The streamlined decision-making exercise arising from the good governance review focused on the need to provide clarity of understanding for officers in the discharge of their roles and to provide a basis for trusting officers, especially those in management roles to do their jobs in accordance with their professional competence and good judgment. The scheme of delegation for each Directorate is critical to this aim. It is supported by the development of the new officer guide to governance which is used for a programme of officer training to reinforce a culture of clarity and trust.
90. The County Council annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the Head of Internal Audit's annual report 2023/24, by the external auditor and other agencies and inspectorates. These findings are brought together within this document and are reported annually to the Regulation, Audit and Accounts Committee. The Director of Law and Assurance is responsible for ensuring the effectiveness of the internal assurance arrangements and the implementation of actions identified by those arrangements. The Regulation, Audit and Accounts Committee undertakes the functions of an audit committee. This includes the work and findings of Internal Audit. The audit arrangements which support and reinforce financial controls and assurance are fully addressed in section G below.
91. The **Risk Management Strategy** is set out in the Constitution (Part 4 section 2) and is reviewed annually. The Strategy describes the responsibilities of officers and elected members and ensures that corporate risks are regularly reviewed by the Executive Leadership Team in order to advise and update Cabinet as necessary. In addition, it illustrates the framework the Council has for identifying, assessing and managing corporate risk. The operation of the framework and concerns identified are reported quarterly to the Regulation, Audit and Accounts Committee, which has responsibility for providing assurance on the effectiveness of risk management arrangements.
92. Corporate risks are included in the Performance and Resources Report reviewed by Cabinet and the Executive Leadership Team and considered by the scrutiny committees. Material risks and associated actions relating to proposals, policies and spending decisions are identified, recorded and published in decision reports and for scrutiny committees to consider (see paragraph 64 above). Decision report guidance also clarifies the responsibility for scrutiny committees to obtain assurance that the management of risk is effective.
93. Individual Services maintain risk registers which are reviewed regularly at management teams and, where appropriate, are escalated to ELT and/or the Corporate Risk Register.
94. Management of risk is an iterative process delivered through the application of robust controls, including the business planning process, and is supported by the Corporate Risk Manager who reports to the Director of Finance and Support Services. Operational officer responsibility is carried by that Director as s.151 Officer, with the Chief Executive accountable for the Council's overall risk profile and effectiveness of the risk management strategy.
95. The area of Health and Safety management is overseen by the Director of Human Resources and Organisational Development and the corporate assurance arrangements for good Health and Safety policy and practice is the subject of continual review and reporting to ELT. The effectiveness of health and safety arrangements and accountability in relation to maintained schools has been the subject of focus following a small number of incidents and planned action to mitigate

risk of reoccurrence is underway. Health and Safety and the response to incidents is a standing item on all Directorate Management Teams.

Principle F Actions (risk and performance)

Action	Owner
i. Review of health and safety arrangements with schools, including roles and responsibilities	Director of HR & OD

G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability - Assured

The County Council has transparent processes in place through publication of the Forward Plan of key decisions and of agendas and reports of its meetings and those of its committees. This includes key decision reports on the website and the prominence given to reporting and enforcing of audit recommendations through the Regulation, Audit and Accounts Committee which meets in public.

The County Council has effective open data reporting arrangements to ensure the accessibility of significant spend, contractual and other data relevant to financial performance. This has also been addressed through the development of the performance management reporting arrangements linked to the implementation of the Council Plan.

96. All meetings of the Council and of the committees which discharge executive, non-executive or scrutiny functions take place in public and have their reports and minutes published on the Council’s website and retained for public access. Cabinet, Cabinet Member and Committee decisions are published on the website and are available to the press and public. This is driven by the publication of the Forward Plan of key decisions to ensure there is member and public awareness of the Council’s plans and proposals before they are considered for approval. A limited number of reports are considered in private session only when the subject meets the prescribed criteria for confidentiality. A summary of these is published and the rationale for non-disclosure made available.

97. The County Council has several separate bodies of which it is a part. In 2023/24, this included the LEP Joint Committee, the Integrated Care Board, the Local Government Pension Scheme ACCESS Joint Committee and the Sussex Police and Crime Panel. Each of these bodies abide by the Nolan principles and publish their agendas and minutes in an accessible place, which are linked from the County Council’s website.

Review and Audit

98. The Regulation, Audit and Accounts Committee undertakes the functions of an audit committee. This includes review of the findings of Internal Audit. The Committee meets regularly and in public and holds officers to account for the timely implementation of audit recommendations.

99. Internal Audit provides an annual assurance opinion based on the delivery of a risk based internal audit plan. This includes adherence to established policies, procedures, laws and regulations. These are reported to the Regulation, Audit and Accounts Committee. The overall opinion for 2023/24 was reported to the July meeting of the Regulation, Audit and Accounts Committee as ‘reasonable assurance’.

100. The Head of Internal Audit reports to the Director of Finance and Support Services. He also has direct access to the Chief Executive and directors and has well-established reporting lines to members through the Regulation, Audit and Accounts Committee and quarterly to the Executive Leadership Team. Internal Audit is provided through an arrangement with Hampshire County Council, giving greater independence, resilience and capacity for this function. The partnership arrangements are underpinned by a partnership agreement.
101. Specific issues of performance or effectiveness in particular areas of critical service delivery or council governance have been raised during the year's internal audit work and summarised in the annual audit report. This includes areas where limited or no assurance has been given. To the extent that the findings and recommendations are relevant to matters not otherwise covered in this Statement they are set out here and captured as part of the action plan to ensure alignment with the actions addressing issues of governance and internal process.
102. The Internal Audit annual report highlights areas where a limited assurance review has been issued. During 2023-24 internal audit undertook (number to be confirmed) reviews of which number to be confirmed) were of limited assurance. Directors are accountable for addressing the recommendations through management actions and progress is monitored until any changes have been fully implemented.

Principle G Actions (transparency audit and accountability)

Action	Owner
None in 2023/24	

Main Governance Issues for action or to note

103. In formulating this year's AGS a number of forms of evidence have been reviewed. Several of these are reported and monitored through the Regulation, Audit and Accounts Committee. The main governance issues requiring attention are summarised at the end of each section as set out above.
104. An action plan is attached at part of the Appendix, which sets out how the Council will address governance issues in the year ahead. We are satisfied that these actions will deliver the improvements necessary and we will continue to monitor, evaluate and report on progress as part of our next annual review.

Paul Marshall Leader of the Council, November 2024

Leigh Whitehouse Chief Executive, November 2024

Sources of Assurance and Actions

Key:

CIPFA = The Chartered Institute of Public Financing & Accounting

FSS = Finance and Support Services

HR&OD = Human Resources & Organisational Development

L&A = Law and Assurance

MDG = Member Development Group

RAAC = Regulation, Audit and Accounts Committee

SOLACE = Society of Local Authority Chief Executives

Table of assurance for Principle A: Integrity and Compliance

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Constitution	Web and Intranet	Governance Committee and Director L&A	A single source for rules and procedure for lawful sound business and meeting management.	A review was undertaken in 2021 arising from the Good Governance project and was approved by the County Council in July 2021. Minor changes have been approved during the year 2023/24.
Codes of Conduct	Constitution	Standards Committee & Director L&A	Defines standards of behaviour and how to enforce	A new Code of Conduct was approved the County Council in December 2022.
Whistleblowing Policy	Intranet	Standards Committee & Director L&A	Defines process to report breaches of rules or standards confidentially	Fully revised for approval by Governance Committee July 2020. Further HR officer review in August 2021. To be reviewed within five years, by August 2026.
Anti-fraud and corruption strategy	Intranet	RAAC & Director F&SS	Statutory obligations recorded and enforced	July 2023, including Anti-Money Laundering Policy
Anti-bribery policy	Intranet	Director L&A	Statutory obligations recorded and enforced	2014. To be reviewed in 2024/25*
Register of Member Interests	Website	Director L&A	Statutory list of interests.	Entries updated on an on-going basis. A revised form in line with best practice since May 2021.
Register of Officer Interests	Website	Director L&A	Record of financial and conflicting business interests	New system from March 2017 refreshed and reinforced in 2021. Publication to be addressed in 2024*
Corporate Complaints Policy	Website	Chief Executive & Standards Committee	Describes mechanism for handling all complaints.	July 2023. Annual complaints report to Standards Committee June 2024.
Staff Discipline policy	Intranet	Director HR&OD	Defines rules of conduct and procedures to manage	New HR policy framework established in 2019.
Data Protection Policy	Intranet	Director L&A	Defines rules and procedures to protect data.	Revised 2018. Review of practice and training to mitigate risk completed and revised guidance and training in place.

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Freedom of Information policy	Intranet	Director L&A Director of Communities	Defines rules and procedures	January 2018. No review planned or required.
Data Security & Accepted Use Policy	Intranet	Director F&SS	Defines rules and procedures/measure compliance	Annual External IT Health Check November 2022, Acceptable Use Policy May 2023. Data Maturity Assessment by end of 2023. Ongoing mandatory annual refresher training.
Standing Orders on Procurement and Contracts	Constitution	Director L&A and RAAC	To prescribe the rules for all contracts and procurement activity	February 2024 – approved by County Council on the recommendation of RAAC
Procurement Board (officers)	Intranet	Director F&SS	To manage and plan strategic procurement	Procurement Pipeline and systems for monitoring being developed. Action to clarify internal governance between officer boards within Good Governance underway*.

Table of Assurance for Principle B: Openness and Stakeholders

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Scheme of Delegation	Constitution	Governance Committee & Director L&A	To fully define who takes what decisions and how and how recorded.	March 2022, with minor revisions as required since then.
Forward Plan	Web site	Director L&A	Describes planned key decisions for next 4 months	Revised format 2021 implemented.
Protocol on decision making	Constitution	Director L&A	Describes arrangements for sound decisions.	Refreshed 2021 as part of streamlined decision making workstream.
Scrutiny Committee business planning	Scrutiny Committee reports	Performance and Finance Scrutiny Committee, Scrutiny Manager	Records planned scrutiny work.	Continuous with annual work programme. Executive/Scrutiny protocol established in 2022 reviewed end 2023.
Openness and access to meetings/ decisions.	Constitution and Website	Director L&A	Describes rules and process for ensuring transparency of business.	Constitution revised 2018. Webcasting of member meetings determined by Governance Committee.
Consultations & community liaison forums	Intranet, Website & Press releases	Head of Communications & Engagement, Head of Customer Experience	Accessible communication to the public and staff	New community liaison channels are being explored during 23/24 Used for budget and Council Plan 23/24.
Research Governance and Consultation QA process	Intranet	Chief Executive	Provide system and guidance for service consultation	Review of Statement of Community Involvement in 2018. Full review of the Research Governance and Consultation QA process was reviewed in 2023/24*
Partnership meetings, briefings and liaison	Held by relevant directorate	Relevant Director	Communication to partners	Continuous review and proposal to track external engagement plans better.

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
				Partner engagement review within Good Governance underway*.
Equality Policy	Website And decision making protocol	Chief Executive. Relevant Director (for decisions) Director of HR (for staff)	Source of guidance for ensuring compliance with public sector equality duty	Policy reviewed 2018. Respect and Dignity at Work policy rolled out 2021.
Health and Wellbeing Board arrangements	Constitution	Director of PH	Forum for strategic joint business and service oversight	Complete review of Board 2018 – 19 & new H&W strategy from April 2019. Terms of reference revised in 2022 to reflect changes in NHS and new Integrated Care System.
West Sussex Compact and Partnership Principles	Website	Director of Communities	Communication to partners	Partnership principles refreshed in 2018. Established partnership working with district and borough councils. Being reviewed as part of good governance in partnerships project*.

Table of Assurance for Principle C: Sustainability

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
The Council Plan	Website	Cabinet & Chief Executive	Describes the measure and targets for key corporate & service aims	The County Council agreed current Plan in February 2021. Refresh completed in February 2024.
Social Value Framework	Website	Director of F&SS	Sets aims for social economic and community benefits of council business	Full review in procurement activity completed 2019/20. Review of SV framework underway to be published autumn 2024.
Climate Change Strategy	Website	Assistant Director of E&PP	Sets Council's commitment to becoming carbon neutral and climate resilient by 2030	The Strategy approved in 2020.
Economy Plan	Website	Director of Place Services	Sets aims for economic benefits of council business	The Plan approved in 2020.

Sources of Assurance for Principle D: Optimising Interventions

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Performance and Resources Report	Website	Chief Executive & Cabinet and Director F&SS	Reviews financial and operational performance	Reviewed 2020. Newly introduced in 2021. Regular review for continuous improvement.
Executive Decisions process	Website	Director of L&A	To record rationale, legality and financial compliance of decisions.	Format revised 2018. New publication system by Modern.gov 2018.

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Business Plans	Share Point	All Directors	Record of actions and objectives for delivery of Our Council Plan	Annual. Action for better coordination of plans between Directorates implemented 2022.
Executive Officer Boards	Intranet	Executive Leadership Team	Manage strategic business delegated to officers	Action underway as good governance workstream to clarify officer delegations and ensure clarity & transparency of boards*
Capital Programme Governance	Constitution	Executive Director Place and Director F&SS	Provide sound systems for capital programme	Revision February 2019. Further review on governance planned in 2023, set as part of good governance*.
Service Improvement plans governance and assurance	Records of decisions and Improvement Board agendas.	Executive Director CS & CFO	Provide plan and assurance for delivery of improvements from external inspection.	Arrangements for monitoring and scrutinising effectiveness of plans ongoing

Sources of Assurance for Principle E: Leadership Capability

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Scheme of delegation	Constitution	Governance Committee Chief Executive Director L&A	Formal allocation of key roles and functions, including Statutory and senior officers	April 2019 with minor regular revisions as needed.
Budget, including medium term financial strategy	Council agenda	County Council Director F&SS	To agree a sound budget and financial strategy.	February 2024 and ongoing review of arrangements and timetable for preparation of annual budget plan. MTFS published July 2023 and update planned for 2024.
Member Development Programme	Held by Director L&A Member Information Database	Governance Committee & Director L&A & MDG	Plan and record all member training.	Continually by MDG (sub-group of Governance Committee). Reports regularly and gathers member feedback.
Human Resources policies	Intranet	Director HR&OD	Describe all officer duties, rules and requirements.	Review planned within Good Governance as culture and leadership areas People Framework and respect and dignity at work policy in place.
Workforce Planning arrangements	HR policies and Directorate plans	Relevant Director	Provides rationale and scheme for ensuring resilience and capacity.	Particular focus on service improvement plans. People Framework completed 2021.
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change.

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Member Induction Programme	Intranet	Member Development Group Director L&A	To determine the content of the programme	Comprehensive induction programme agreed and delivered post May 2021.
Specialist Member training	Committee business programme	Director L&A	Non-executive committees and appeals panel	Completed after 2021 election including individual member training needs analysis for all members.
Officer Performance management	Intranet	Director HR&OD & all Directors for delivery	To manage performance and development	Review undertaken 2021 in line with the Good Governance review.
Performance Management Policy	Intranet	Director HR&OD	clear system for addressing poor performance	As above.

Sources of Assurance for Principle F: Risk and Performance

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Governance Statement	RAAC agenda	RAAC Director L&A	Captures all sources of governance assurance	Annual (this document)
Assurance mapping	N/A	Director L&A Director F&SS	Internal checklist for service governance	New checklist was refreshed in 2020.
Local Code of Corporate Governance	Governance agenda	Governance Committee Director L&A	To confirm the corporate governance principles in place	New Code of Governance agreed in February 2022.
Risk Management Strategy	Constitution	Chief Executive	Strategic aims and objectives for corporate risk management	Approved by RAAC 2018. Strategy reviewed annually by RAAC. Clarification of roles for members added to Constitution in July 2021.
Risk Management systems	RAAC agenda	Director F&SS	Operational systems for meeting RM strategy aims	Last review 2023. Ongoing work to ensure operational risks are regularly reviewed by Directorate Leadership Teams.
Health and Safety Policy	Intranet	Director of HR &OD	Provides rules, procedures and systems for assurance in relation to health and safety at work and in relation to property risk.	Internal review 2018 has led to revised governance.
Audit Function	Constitution	RAAC Director F&SS	To manage and ensure the effectiveness of Audit.	Annual internal audit quality review. External review is required every five years. Partnership arrangements in place with Hampshire County Council since 2020. Subject to annual review.
Performance and Resources Report	Website	Chief Executive & Director F&SS	Reviews financial and operational performance	New from 2021. Annual review of structure and content.
Treasury Management Strategy	Council agenda	Director F&SS	For sound strategy to limit risks to borrowings and investments.	Reviewed and updated annually. Approved by Council February each year.

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned
Financial Regulations and Procedures	Constitution	Director of F&SS RAAC	To prescribe the rules for all financial transactions	New version agreed by the County Council on the recommendation of RAAC in March 2024
Resilience and Emergency arrangements	Intranet	Chief Fire Officer	To provide safe systems and procedures to manage local and civil emergencies	Action plan implemented.

Sources of Assurance for Principle G: Audit and Transparency

Source of assurance	Where found	Who is responsible	Role	last reviewed/action planned*
Audit Function	Constitution	RAAC Director F&SS	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. The last review was in October 2020.
External Audit of Accounts	Audit Report	RAAC and Director of F&SS	To give external assurance to the quality of the Council's accounts and accounting practice	Assurance given for the VFM opinion and the West Sussex Pension Fund accounts for 2022/23. Disclaimed opinion anticipated for the County Council accounts for 2022/23. EY was appointed for April 2023 until March 2028. The 2023/24 audit is planned for the summer 2024.

Financial Management Code

Financial Management Standards

	Standard	Evidence as at March 2024
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<ul style="list-style-type: none"> • External Auditor – generally positive VFM conclusion for 2022/23 except for concerns with the Oracle implementation project (with narrative included in Auditor’s Annual Report). • Council Plan for 2024/25 focuses on key priorities including VFM. • KPIs are monitored in Performance and Resources Report (PRR). • VFM assessment included in all key decision reports. • Procurement Board reviews all procurements in excess of £500k to ensure proposed procurement meets the outcomes required, follows a compliant procurement route and delivers value for money. For lower value contracts, national frameworks or other commercial competitions are used to reflect value for money considerations.
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016)	<ul style="list-style-type: none"> • The Chief Finance Officer (CFO) is a qualified accountant and is a key member of the Executive Leadership Team (ELT) and other strategic meetings such as Cabinet meetings including informal briefings of Cabinet. The CFO also is a member of the Procurement Board, Commissioning Forum and the Capital and Assets Board and a number of other strategic project groups. All material decisions impacting the Council follow these governance routes prior to a decision being made. • Good financial management is led by the CFO and supported by the senior finance team. • A member of Finance SMT sits on the Commercial Panel. • The Strategic Business Partners sit on the departmental leadership team meetings providing financial insight and advice. • Effective reporting and management through review of the quarterly PRR with monthly monitoring undertaken and reviewed at ELT. • Finance team is sufficiently resourced and represented at Board and leadership team meetings to provide financial input and challenges, although there have been ongoing recruitment issues for staff at principal finance officer level, which are not unique to West Sussex. In addition, the competing demands of Council projects, including the replacement of key financial systems is putting strain on resources and requires the need to prioritise according to levels of risk. • The senior finance team encourages and supports staff to become qualified accountants and build career paths to enable progression.

	Standard	Evidence as at March 2024
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	<ul style="list-style-type: none"> • Financial Regulations in the Constitution set out the rules, to ensure robust internal control over the Council’s finances. The system and arrangements for financial performance management and budget monitoring demonstrate sound internal monitoring and control and have formal and well published arrangements for Member and officer oversight and transparency. • Internal Audit is provided by the Southern Internal Audit Partnership. They meet with Directors to plan the audit programme that is focussed on areas of concern raised in the risk register. The quarterly audit report is discussed at ELT and Regulation, Audit and Accounts Committee (RAAC). • Control is maintained through regular management information, supervision, and a structure of delegation and accountability. • The 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.’ A continuous review is maintained. • A full review of Financial Regulations was undertaken and a new version was approved at County Council in March 2023, with a review of the Financial Procedures in progress. • Each Director is required to review the use of internal governance systems for their area of responsibility, through an assurance mapping process. The statements made, based on the assurance mapping, are used to identify broader governance issues. Evidence of assurance given is noted in the annual assurance statement for each directorate. These include identified actions. From both sources, relevant governance assurance implications are included in this document.
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	<ul style="list-style-type: none"> • The Council’s Annual Governance Statement is jointly signed by both the Leader and the Chief Executive and approved by RAAC at the same time as the approval of the audited financial statements. Updates on the agreed action plan are discussed at ELT and reviewed at RAAC. • The 'Officer Guide to Governance' provides details of governance framework in an easy access format for officers.

	Standard	Evidence as at March 2024
E	The financial management style of the authority supports financial sustainability	<ul style="list-style-type: none"> • The Financial Regulations and Standing Orders on Procurement and Contracts set out the framework for financial accountability. • The Medium-Term Financial Strategy (MTFS) forms part of the annual budget process and the capital strategy and five-year capital programme also drives the Council’s strategic capital investment ambition to support the sustainable long-term delivery of services. The budget planning and MTFS process is led by ELT and reflects the current business plans. Directors are responsible for delivering their business plans with the budget set by the Council in February. • The Section 151 officer meets monthly with each Director to keep abreast of financial challenges affecting services and a joint approach to managing such challenges is adopted. • The efficiency, equity and effectiveness of each service is considered as part of this process. • Children's Services and Fire and Rescue are on a continuing improvement journey to ensure the services are effective and efficient. A two-year improvement programme for Adult Services started in 2023. • Budget managers have the opportunity to attend budget training courses to understand their responsibilities to comply with the financial management regulations, contract standing orders and procurement procedures. • Strategic Business Partners sit with their respective services and leadership teams to support operational and strategic plans. CIPFA was invited to review the financial style of the council in the autumns of 2019. The recommendations of that review were accepted and implemented.

	Standard	Evidence as at March 2024
F	The authority has carried out a credible and transparent financial resilience assessment	<ul style="list-style-type: none"> • The budget process considers the potential pressures impacting the Council finances for increased demand, increased costs, change to national policies (eg Adult Social Care Reform, Education White Paper, Statutory Override for Dedicated Schools Grant (DSG) deficits) as well as local context. It also reviews the undelivered savings from previous years and builds the savings back into the budget if there is no prospect of them being realised. • The budget principles followed as part of the budget setting process states that we will not use reserves to balance the budget and any necessary use of reserves in previous years need to be repaid. • The MTFS, which includes full details of the Council’s financial risks and their likelihood of impact, is reviewed regularly and managed through the Council’s budget process and Reserves Strategy. • The CIPFA financial resilience index is reviewed each year to identify funding and flag any risks. The index applies fifteen measures, including areas such as reserves, flexibility with budget and reliance on different funding sources, including fees and charges. It compares the outcome for each authority to peer groups. The latest published index was for 2022/23 and showed the County Council had good resilience in terms of a reasonable level of overall reserves (earmarked and general reserves). The Section 25 statement included in the Budget Report examines the level of reserves available and determines its adequacy to meet pressures arising from unforeseen events.
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<ul style="list-style-type: none"> • The MTFS is included in the annual budget, with Cabinet updates and Member Day events focused on it, including the importance of reserves. Financial sustainability is also covered in the quarterly PRR presented to Cabinet and Performance and Finance Scrutiny Committee. This report reviews progress against the Council Plan, including KPIs alongside the projected financial outturn. • Various scenarios are considered and there remains significant uncertainty in the medium and longer term as a result of economic conditions, demands pressures, the end of the statutory override on DSG deficit and any potential government policy changes (such as Adult Social Care Reform and future funding).

	Standard	Evidence as at March 2024
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	<ul style="list-style-type: none"> • A Capital Strategy is an integral part of the County Council's MTFS and is in place and refreshed on an annual basis as part of the budget setting process. The Strategy enables the delivery of the Council's priorities and is underpinned by a five-year capital programme and Asset Management Strategy. The Asset Management Strategy provides an overview of the Council's land and property estate together with our main priorities for managing and developing that estate over the next twenty years. • The Prudential Indicators are set and reported through the Treasury Management and Capital Strategies. Compliance with the Prudential Indicators is reported in the Treasury Management mid-year and the annual reports which are scrutinised by the Performance and Finance Scrutiny Committee. • CIPFA published revised codes in December 2021 with formal adoption required for the 2023/24 Treasury Management and Capital Strategies. The strategies approved as part of the budget for 2024/25 reflected the new requirements.
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	<ul style="list-style-type: none"> • The MTFS has been extended to cover a five-year period and is included in the annual budget along with a five-year capital programme. The MTFS runs alongside the business planning process ensuring the changes to the national and local context is reflected in the MTFS. The underlying assumptions and assessment of relevant cost and demand drivers are regularly reviewed throughout the year and updated as appropriate. • The uncertainty in estimates in demand and price is recognised as part of the budget build. A revenue contingency budget is included in the annual budget to deal with these uncertainties. • Asset Management Plans are in place that correspond to strategic aims.
J	The authority complies with its statutory obligations in respect of the budget setting process	<ul style="list-style-type: none"> • Obligations in respect of the budget setting process are set out in the budget principles • Balanced budget for 2024/25 was approved at Full Council in February 2024.
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	<ul style="list-style-type: none"> • The budget report includes a statement on 'Robustness of Estimates, Adequacy of Reserves and the Management of Risk (Section 9 within the 2024/25 budget report). • The statutory override to manage the deficit balance on the DSG currently ends in March 2026 and the County Council continues to lobby Government for a long-term solution. • The MTFS and assessment of reserves is set on the basis that any new policy changes introduced by government will come with adequate funding with no additional financial burden to the Council.

	Standard	Evidence as at March 2024
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<ul style="list-style-type: none"> • The long-term financial strategy follows the Council Plan and the integrated business and financial planning process brings together our business planning, financial planning and risk management processes and involves ongoing engagement with key stakeholders across our partners including districts and borough Councils, economic partnership and health partners.
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	<ul style="list-style-type: none"> • Business cases are required for all major decisions and option appraisal methods applied. • All schemes in the capital programme require an outline and full business case before funding is confirmed and works can start. • Decision reports include a section on demonstrating value for money and options appraisals. • Support is provided by the Finance team where options appraisals need to be carried out.
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	<ul style="list-style-type: none"> • The quarterly PRR captures emerging risks to the budget for both capital and revenue and on a monthly basis key risks are captured and reported to ELT. Reports to ELT are presented in a timely fashion. The reports to public Committees follow a longer timeline due to the need to plan meetings in advance. • Strategic and Critical suppliers require the most attention with an emphasis on supplier relationships that can deliver value that goes beyond the contract including, amongst others, cost avoidance, reduced risk and greater supplier innovation. For these suppliers/contracts, we then apply, manage and monitor in accordance with our Contract Management Framework such as the "Balanced Scorecard" and "Supplier Relationship Management plans" which enable monitoring health and effectiveness of our contracts. These are reviewed annually, with some of our more strategic relationships undertaken quarterly. The Balanced Scorecard is an assessment of contract governance, performance, risk and relationship etc and results in a balanced score and rating which we capture and record in our eProcurement system 'Atamis' and share back with SLT/DLT as agreed. A pack is being developed for ELT which summarises/aggregates the results across all Directorates. • ELT have a dedicated session each quarter to review the corporate risk register and key departmental risks, including financial concerns.

	Standard	Evidence as at March 2024
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	<ul style="list-style-type: none"> • The level and use of the Council's reserves are reported in the quarterly PRR, which is reviewed by ELT. Debtor balances are reviewed annually and appropriate bad debt provisions are made to reflect likely collectability. • Contingent liabilities are considered as part of the preparation of accounts to ensure all known potential liabilities are provided for in the balance sheet. • A review of outstanding purchase orders is considered as part of the year end process to ensure there is no over provision of creditors. • Reserves are reviewed in detail to ensure sufficient funds have been set aside to meet future PFI obligations. • Increased focus is placed on reserves held for risks and uncertainties and, where appropriate, follow the principle that any use needs to be replenished over the MTFS period to ensure they remain at a prudent level. • The valuations of investment properties are reported as part of the Treasury Management mid-year and annual reports.
P	The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	<ul style="list-style-type: none"> • The Section 151 officer reviews the financial statements before signing. The production of accounts follows a detailed timetable with qualified and experienced staff who are encouraged to update their knowledge for any changes in accounting practices.
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	<ul style="list-style-type: none"> • ELT reviews the final outturn figures, variation from budget and confirms their agreement. They discuss the drivers of any variations from budget, the ongoing impact and mitigations. • Monthly finance briefings are held with the Leader, Deputy Leader and Cabinet Member for Finance and Property. • Scrutiny Committees review and discuss the outturn position for their respective areas. • Cabinet reviews and agrees the outturn position.

Financial Management Code – 2024/25 Action Plan

Areas for improvement	Standard	Key actions	Who	When
Carry out a review of qualified finance staff, progression and learning opportunities to address current recruitment issues within Finance, including the Pension Fund team	B	<ol style="list-style-type: none"> 1. Develop a Workforce Planning Strategy for Finance - including consideration of: <ol style="list-style-type: none"> a. Current business partnering way of working b. The need for a joined-up approach across all of Finance with other support services c. Roles and responsibilities of Finance and services to be reviewed. The implementation of Oracle/EPM will provide a tool for budget managers to use to embed good financial management and accountability d. The right balance of resources and grades reflecting the level of work within the teams e. Career grades for trainees f. The introduction of a more structured career path within teams to ensure there are sufficient opportunities for progression/retention. 2. Review training opportunities for staff in Finance, including apprenticeships. 3. Develop a training and development plan for all staff in Finance 	Finance SMT	March 2025

Areas for improvement	Standard	Key actions	Who	When
<p>The Medium-Term Financial Strategy (MTFS) identifies a funding gap in future years. Savings plans should be developed for the whole period of the plan.</p>	<p>E, F, G, I, K, L</p>	<ol style="list-style-type: none"> 1. Update the MTFS and publish in July 2024, with a five-year outlook for revenue. 2. Move to longer term planning with a focus on identifying savings in two phases – initially for 2025/26 and then for the longer term a deeper structural approach is likely to be required with consideration as to how services are provided and priorities within the limited financial resources. 3. Continue to develop closer working of the revenue and capital planning process, both in the development of the MTFS and annual budget. 4. Include capital planning and monitoring as part of the Directors business planning process. 5. Continue to further strengthen the links between financial planning and corporate planning, including risk management. 6. Ensure that addressing the financial challenges is owned across ELT and Cabinet. 7. Review the current use of data, evidence and scenario planning to inform the MTFS assumptions. 8. Investigate greater use of benchmarking to consider service delivery in terms of value for money, cost effectiveness and cost reduction/income opportunities. 	<p>ELT / Finance SMT</p>	<p>February 2025</p>
<p>The MTFS and capital programme to reflect the long-term approach where service contracts are in place, to demonstrate the contracts can be funded over the whole period of the contract. The MTFS to cover a ten-year period and focus on future years savings plans including demand pressures.</p>	<p>E, G, I, K, L</p>	<ol style="list-style-type: none"> 1. Publish the updated MTFS in summer 2024 that will focus on a five-year period for the revenue budget. 2. Review the Capital Strategy that will be agreed at County Council in February 2025, in line with the Asset Management Strategy to reflect the Council’s plans for the next 10 to 15 years. 	<p>ELT/ Finance SMT ELT/ Finance SMT</p>	<p>July 2024 February 2025</p>

Areas for improvement	Standard	Key actions	Who	When
Strengthen the alignment of finance and operational service plans	A	1. Strengthen the Council's business planning process. The MTFS published in the summer will align, at an organisational level, the Council's financial resources with the priorities in the Council Plan and will be used as a basis to align Directorate and departmental finance and operational plans. This will be driven forward through a cross Council Business Planning Group which has been created and also through ELT and Directorate Management Teams.	ELT/ Finance SMT	March 2025
Refresh the Financial Procedures	B	1. The Financial Regulations were approved at County Council in March 2024. The Financial Procedures will be reviewed to ensure they align to the updated Regulations. 2. Engagement with services to ensure they understand their responsibilities and accountability.	Finance SMT Finance SMT	Septem ber 2024 March 2025
Ensure all Budget Managers understand their responsibilities in line with the Financial Management Code	E, L	1. Define/develop roles and responsibilities for both Finance staff and Budget Managers. 2. Develop a plan for the financial management training to Budget Managers as part of the implementation of Oracle, to include the self-serve role Budget Managers will have for monitoring and forecasting their budgets.	ELT/ Finance SMT Oracle project team/ Finance SMT	March 2025 March 2025