



ROCHDALE
BOROUGH COUNCIL

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Draft Annual Governance Statement 2020/21

ANNUAL GOVERNANCE STATEMENT 2020/21

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1. Opening Statement by the Monitoring Officer – Chair of the Governance Board

The Annual Governance Statement sets out how Rochdale Borough Council meets its Governance Standards as detailed in the Code of Corporate Governance, the requirements of Regulation 6(1) of the Accounts and Audit Regulations 2015 which would accompany the Annual Accounts, and takes into account the seven good governance principles set out in the CIPFA/Solace ‘Delivering Good Governance in Local Government Framework 2016’.

The Annual Governance Statement is a document which retrospectively looks back over the past year to describe how governance has been operating, how effective the governance arrangements have operated, and identifies where the Council has demonstrated good governance during 2020/2021.

The Annual Governance Statement also looks forward to areas where the Council should particularly focus in relation to governance over the upcoming year where it can improve to ensure and assure that we have effective governance arrangements that enable the Council to manage and deliver high quality and value for money services to the public and residents of the Borough of Rochdale.

Rochdale Borough Council recognises the importance of having arrangements for good governance in place, and indeed the Annual Governance Statement shows that in a number of areas within the Council, we have very effective arrangements in place. However, Rochdale Borough Council recognises the importance of having arrangements for good governance in place, not simply at a point in time, but as an ever improving system. Therefore, we will continue to review, streamline and improve our processes to ensure these arrangements remain effective, now and into the future. The year 2020/2021 has been unprecedented in terms of challenge presented through the Coronavirus pandemic, and its impact upon, residents, staff, and services. However, despite the significant challenges, the Council, together with its partners, have been focused and worked effectively both in terms of Coronavirus response, and the Covid-19 Recovery Programme to deliver a managed and methodical, evidence led clear strategy out of the pandemic.

Name: Asif Ibrahim

Signed:

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Position: Assistant Director
(Legal, Governance & Workforce) / Monitoring Officer

2. Statement of Opinion from the Governance Board

The role of the Council's Governance Board is to monitor the corporate governance framework, by continually reviewing the Annual Governance Statement action plan, as well as monitoring and challenging the assurance framework owned by designated Corporate Leads.

The Board has been constituted to comprise of only the Council's most senior Governance Officers with a view to liaising with governance contacts/leads within services. The Board continues to identify, challenge and track improvements to any weaknesses in the internal control environment. It has primary responsibility for collating all of the evidence and producing the first draft of the Annual Governance Statement.

The renewed and refreshed terms of reference and membership allows a platform in which no issue is off limits, and the minutes and actions of the Governance Board are directly reported to the Council's Joint Leadership Team to ensure line of sight, awareness, and ownership of actions which may be identified as being required. By way of example, the Governance Board has acted to further develop and progress work pertaining to the Council's issues in some identified non-compliance with Key Decision processes as identified in the 2019/2020 action plan, beyond implementation of those actions into further scrutinising, developing, and implementing in further areas of improvements.

Therefore, it is our opinion that Rochdale Borough Council's governance arrangements are sound and provide a robust platform for achieving the Council's priorities and challenges in 2021/22.

3. Actions from the Annual Governance Statement 2019/20

No	Governance Issues	Action Required	Delivery programme or Lead Service	Completion Date
1	Adherence to the key decision making framework	The action plan that has been put in place to address the issues arising from the Internal Audit limited assurance report to be progressed. Actions include forming a Working Group of officers from Adult Care, Finance, Legal & Governance and STAR.	Director of Resources	August 2020
2	Feedback mechanisms are utilised to demonstrate how views have been taken into account and implemented	Feedback mechanisms to be enhanced by the use of the corporate consultation hub.	Assistant Director - Commissioning (Prevention and Adult Social Care)	March 2021
3	Collecting and evaluating the views and experiences of communities, residents, service users and outside organisations	<p>Further improvements to be made in the co-design of services. Customer satisfaction KPI's will be collected with commissioned services.</p> <p>To better understand the requirements of stakeholder engagement, and to review the approach to consultation and engagement to ensure that effective arrangements are in place across the directorate.</p>	<p>Assistant Director - Commissioning (Prevention and Adult Social Care)</p> <p>Chief Finance Officer</p>	March 2021

No	Governance Issues	Action Required	Delivery programme or Lead Service	Completion Date
4	Maintaining an effective workforce strategy to develop the strategic allocation of resources	Continued improvement of the allocation of resources by the development of a wider Public Health workforce strategy.	Assistant Director - Commissioning (Prevention and Adult Social Care	March 2021
5	Plans are in place to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback	Strengthening the approach by carrying out a 360 assessment of leadership or conducting a staff survey. In addition a coaching approach will be developed within the staff team.	Assistant Director - Commissioning (Prevention and Adult Social Care	March 2021
6	Appropriate key performance indicators are in place as part of planning processes in order to identify how the performance of services and projects are to be measured	Continued development and review of the key performance indicators to ensure that they effectively monitor service delivery.	Chief Finance Officer	March 2021
7	Impact of Coronavirus	<p>An ongoing assessment of the impact of the coronavirus pandemic on council services and council systems and lessons learned will be undertaken in order to ensure good governance.</p> <p>Council plans and the medium term financial strategy to be reviewed in the light of the impact of coronavirus.</p>	Director of Resources	31 March 2021

4. Introduction and Scope of Responsibility

Rochdale BC is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Whilst discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. This includes arrangements for the management of risk. These arrangements are intended to make sure that actions are carried out in the right way, for the right people, in good time, and in a fair, open, honest and accountable way. To support this, the Council has a Code of Corporate Governance.

The Code of Corporate Governance and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government.

The Council has reviewed its existing governance arrangements and has subsequently approved and adopted a local Code of Corporate Governance (The Code), which is consistent with the seven principles of Corporate Governance as set out in the CIPFA/SOLACE (2016) Framework Delivering Good Governance in Local Government

5. The Purpose of the Annual Governance Statement

The Annual Governance Statement sets out how the Council complies with the seven principles of Corporate Governance. These tie in with our Code of Corporate Governance, the Governance Framework and the assurance gathering principles laid out in the CIPFA Finance Advisory Network “Rough Guide for Practitioners”.

This Statement explains how the Council has complied with The Code and also meets the requirements of Accounts and Audit (England) Regulations (2015 regulation 6), in relation to conducting a review of the effectiveness of the system of internal control and the publication of an Annual Governance Statement.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council’s aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control identifies and prioritises risks; evaluates the likelihood of those risks being realised and the impact should they be realised; and aims to manage them efficiently, effectively and economically.

6. Reviewing our Effectiveness and the Governance Framework

The Council's governance arrangements are designed to ensure that an appropriate and proportionate approach is taken to managing risk. The arrangements are not designed to eliminate all risks, but rather provide reasonable assurance of the Council's effectiveness.

The Governance Framework comprises of the systems and processes, and culture and values, by which the Council is directed and controlled. It also includes the activities through which it is accountable to, engages with and leads the community.

The Governance Framework enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services in the Borough.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives. The system is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their potential impact should they be realised. It is designed to help manage them efficiently, effectively and economically.

The process of reviewing and monitoring governance arrangements across the Council is ongoing, supported by both the Governance Board and Internal Audit, with updates provided throughout the year to the Audit and Governance Committee.

Governance Board

The Governance Board is made up of the Assistant Director (Legal, Governance & Workforce) / Monitoring Officer, Chief Finance Officer (S151 Officer), Head of Internal Audit, Head of Governance (Constitutional Committee Service Manager), IG Planning & Risk Manager and Risk & Insurance Manager. It is a key part of the Council's governance strategy and meets monthly with its purpose being to:

- oversee and develop the Council's Corporate Governance arrangements maintaining and enhancing the public's confidence in the elected members (councillors), officers (employees) and the organisation as a whole;
- have overall responsibility for ensuring the principles within the RBC Code of Corporate Governance are adhered to;
- ensure that the Council's values are kept to the fore in all decisions and actions;
- ensure good decision making takes place through availability of information and clear accountabilities;
- have robust strategic risk management processes in place to protect the Council, colleagues, and the people of Rochdale; and

- comply with the Council's regulatory obligations.

During 2020-21 the Governance Board's Terms of Reference were updated and the Governance Board has responsibilities to ensure strong governance throughout the Council, effective risk management is operational throughout the Council, and robust control frameworks are in place to comply with our regulatory obligations and deliver good outcomes to the people of Rochdale.

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7. Annual Self-Assessment of our Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the system of internal control. To support this review, every Director is required to complete an annual assurance statement in conjunction with their Senior Management Teams to assess the adequacy of the governance arrangements across seven key principles.

Sample evidence is requested and reviewed to support the details included in each annual assurance statement. Challenge sessions are also conducted with each Director. These are led by the Assistant Director (Legal, Governance & Workforce) / Monitoring Officer, with support from the Chief Finance Officer (S151 Officer), and Internal Audit with a view to ensuring that the statements reflect the status of each directorate and related service.

The outputs from this process are a primary source of information for the preparation of the Annual Governance Statement. In addition, it informs the annual Governance Action Plan, which is set out to support continuous improvement across the Council. The review of effectiveness is also informed by the Head of Internal Audit's annual report, together with independent scrutiny by the external auditors and other review agencies and inspectorates.

The annual self-assessment process undertaken this year, which provides clear accountability and robust scrutiny and challenge, can be summarised as follows:



The following table details the Governance Framework of the Council, which collectively underpins the seven principles providing an analysis of the effectiveness of each element of the framework, and areas where improvements are required which flow through to the action plan at the end of the statement.

Principle		How the Council Challenged these principles during 20120/2021.		Where can you see Governance in action		
No	Principle	Effectiveness rating 1 Not adequate, 2 Adequate, 3 Good, 4 Excellent.	Rating	Evidence	Comment	
1.	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Officers behave with integrity, act in the public interest and demonstrate protecting the reputation of the Council. Robust policies and procedures and reviewing mechanisms are in place, which puts emphasis on ethical values. Commitment to the rule of the law as well as following relevant laws and regulations can be clearly demonstrated.		The Rochdale Way	Sets out the values that are at the heart of how all activities are approached. Including: <ul style="list-style-type: none"> • Officers Code of Conduct; • Code of Conduct for Councillors and Co-opted Members; and • Protocol on Councillor / Officer relations. 	
				The Council Constitution		
				Monitoring Officer		Promotes and maintains high standards of conduct, ensuring that the decision making processes and services are provided in accordance with legislation and within the powers of the Council. The Monitoring Officer also has responsibility to review the content, coverage and operation of the Constitution to ensure that it remains current and meets all legal and good practice requirements. They also review the Member's register of interests annually.
				Corporate Plan		Sets out our priorities which contribute to the Rochdale Borough Community Strategy.

		There are frameworks in place for decision-making and other key actions.		Anti-Fraud & Corruption Policy	Recognises the Council is at risk to fraud and corruption both from within the Council and outside it. This Policy sets out our zero tolerance approach to fraud and corruption.
				Confidential Reporting (Whistleblowing Policy)	Provides protection for individuals who raise any serious concerns they have about suspected illegal or illegitimate practices at the Council and explains how these will be investigated.
				Corporate Complaints procedure	Demonstrates mechanisms that are in place across all channels, and processes established to investigate, respond to and resolve all complaints received.
2.	Ensuring openness and comprehensive stakeholder engagement	Engagement with stakeholders is clearly defined with clear actions and plans in place.		Rochdale.gov.uk	Is the Council's website, providing information in a clear way that residents use most, such as Council Tax, and Waste and Recycling can be accessed quickly and easily from the main page.
		Stakeholder engagement allows for resources to be used more efficiently and outcomes achieved more effectively.		Council Committees	Are held in public (other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded), with agenda and reports being produced digitally on the Council's website.
		Appropriate consultation and engagement are used to determine the most appropriate and effective interventions/courses of action. However a review		Decision to be made	The Council publishes a Register of Key and/or private decisions to notify the public of the most significant decisions it is due to take. This will be enhanced significantly by both strengthening the constitution and implementing additional actions to resolve issues identified in relation to Key Decision processes.

		<p>by Internal Audit did highlight some issues around non-compliance with Key Decision processes set out within the Constitution and a lack of clarity in the constitution itself. Good progress has since been made to address these issues by the end of July 2020 through an agreed plan of actions</p>		<p>Consultation Hub</p>	<p>Demonstrates how the Council informs, consults and involves residents in significant decisions including service and budget changes. Their views are submitted to those making decisions for consideration. Consultations this year have included Community Centre grant funding, Budget challenges, library provision and school enlargement.</p>
				<p>Borough's Sustainable Community Strategy</p>	<p>Sets out the vision and priorities for a 10 year period. This Strategy has been refreshed and brought together the SCS and a number of thematic strategic plans that had been developed by key strategic partnerships into a single Place Plan for the Borough</p>

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		<p>Communication methods are transparent, effective and defined around stakeholder/community engagement.</p> <p>Feedback mechanisms are utilised to demonstrate how views have been taken into account and implemented.</p> <p>The views and experiences of communities, residents, service users and outside organisations are collected and evaluated.</p>		Partnerships	The Council maintains information on our strategic Partnerships and continues to assess the strength of the governance arrangements of each partnership, enabling any required improvements to be identified and addressed.
3.	Defining outcomes in terms of sustainable economic, social, and environmental benefits	<p>There is an agreed upon vision statement which identifies the service's purpose and intended outcomes.</p> <p>This vision statement contains appropriate</p>		Budget 2019/20 – 2020/21	The Council sets a Medium-Term Financial Strategy which sets out the financial assumptions and provides a set of goals for financial decision making for the planning period ahead. Work is on-going with Members and Leadership Team to understand the longer term impact of Covid-19 on the Medium Term Financial Strategy.

		performance indicators which provide the basis for the Council's planning and overall strategy management.		Greater Manchester Strategy	The Council plays an active role in supporting the objectives of the Greater Manchester Combined Authority (GMCA), set out in the new plan for Greater Manchester called Our People, Our Place.
		Outcomes are delivered on a sustainable basis and within the resources that are available to the department.		Regenerating the Borough	The Borough has benefitted from unprecedented levels of investment in recent years, with money from the Council, private sector and organisations like the Heritage Lottery Fund and Transport for Greater Manchester (TfGM) helping to improve a number of areas.

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		<p>Risks are identified and managed in relation to outcomes.</p> <p>The combined economic, social and environmental impact of policies, plans and decisions are considered and evaluated when taking decisions about service provision.</p> <p>Access to services is open and fair.</p> <p>The longer-term outlook regarding decision making, considers risk and is transparent where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints.</p>		Place Plan	The Council's Place Plan sets out our vision for the Borough from 2016-2021 and confirms our agreed strategic priorities.
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4.	Determining the interventions necessary to optimise the achievement of the intended outcomes	<p>Ensuring decision makers receive key objectives (indicating how the outcome would be achieved), and a rigorous analysis of a variety of options (including key risks to each option), to enable them to ensure best value is achieved, however services are ultimately provided.</p> <p>Outcomes are reviewed, based on feedback and priorities before decisions are made and implemented.</p> <p>All stakeholders are engaged in considering how services and actions should be planned and delivered.</p> <p>Appropriate key performance indicators are in place as part of planning processes in order to identify how the</p>		Corporate and Service Plans	Are where the Council plans its activity at a strategic level through its budget and business planning cycle. It does this in consultation with internal and external stakeholders to ensure services delivered across different parts of the organisations and partners complement each other and avoid duplication.
				The Strategic Place Board and Integrated Commissioning Board	Are responsible for Integrated Commissioning and the development of one Integrated Commissioning Function for Health, Social Care and Public Health for Rochdale Borough.
				Committee reports	Through Committee reports, decision makers and Scrutiny Committees receive accurate, relevant and timely performance and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery.
				Decision list	Delegation of decision making to officers is detailed in the Constitution so that they can deal with the day-to-day running of the service without the need to constantly refer matters back to Elected Members. Details of what decisions are taken in this way are included in the list of responsibilities for functions in the Council's Constitution. Further specific delegations may be granted through recommendation in public reports to Committee.

		<p>performance of services and projects are to be measured</p> <p>Budgets are prepared in accordance with organisational objectives, strategies and the medium-term financial plan.</p>		<p>Committees</p>	<p>Through a number of Committees, the effectiveness of the Council's interventions and the quality of its services is monitored through the provision of regular performance reports to Overview and Scrutiny Committees showing progress towards goals and targets set in the budget and business plan. Key areas are highlighted so that decision makers can take corrective action where necessary.</p>
5.	<p>Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>	<p>Maintaining an effective workforce strategy to develop the strategic allocation of resources.</p> <p>Ensure the continuing effectiveness of operations and performance through regular reviews.</p> <p>Plans are in place to consider the Leadership's own effectiveness and ensuring leaders are open to constructive feedback.</p> <p>Staff are challenged and supported through regular performance reviews,</p>		<p>Roles</p>	<p>The Council Leader and Chief Executive have clearly defined roles and maintain a shared understanding of roles and objectives. The Chief Executive leads on implementing strategy and managing service delivery and other outputs set by Members. The Chief Executive and Leader provide a check and balance for each other's authority. Our Head of Paid Services is the Chief Executive who operates in accordance with relevant statute and professional guidance.</p>
				<p>Responsibilities for functions</p>	<p>The Council maintains an annually updated list of Responsibilities for functions setting out which decisions and powers have been delegated to various Committees and Officers.</p>
				<p>Member and Officer relations</p>	<p>Are in place to enable Elected Members and Senior Officers to have a shared understanding of their respective roles the Council has produced a Protocol governing Member and Officer relations.</p>

		<p>which take account of training or development needs.</p> <p>Arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</p> <p>Plans are in place to ensure the capabilities of Members and Senior Management to achieve effective leadership, and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes.</p>		<p>Organisational development strategy</p> <p>Apprenticeship</p>	<p>The Council's Organisational Development Strategy provides the framework for how the Council will maintain and / or develop the capacity to deliver its vision and priorities.</p> <p>The Council offers a full time Apprenticeship programme consisting of full time employment while working towards nationally accredited qualifications. Apprentices are expected to combine employment with external assessments and exams. Apprenticeships are available with Rochdale Borough Council up to degree level.</p>
6.	Managing risks and performance through robust internal control	Ensuring effective risk management is in place, with strategies reviewed and updated as necessary.		Risk management strategy	The Council operates a Risk Management Strategy that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

	and strong public financial management	<p>Strategies/plans to implement robust and integrated risk management arrangements are in place and are regularly reviewed to ensure that they are working effectively.</p> <p>Responsibilities for managing individual risks are clearly allocated.</p> <p>Strategy ensuring financial management supports both long-term achievement of outcomes and short-term financial</p>	Pentana	The Pentana Risk IT system was implemented in July 2019 providing an improved method to maintain risk registers, and shared access alongside the CCG.
			Audit and Governance Committee	Decision making is supported by the Council's risk management arrangements which are approved by the Audit and Governance Committee.
			Governance Board	Monitors the development and maintenance of corporate risk registers and the Leadership Team receive regular in-year updates on the management of risks within the Corporate Risk Register through the Leadership Dashboard.
			Internal Audit	Is the Council's independent assurance function which focuses on providing assurance on the management of key financial and non-financial risks in each audit area. The Annual Internal Audit Plan was reviewed by the Chief Finance Officer and approved by the Audit and Governance Committee.

		<p>and operational performance.</p> <p>Ensure that the quality and accuracy of data used in decision-making and performance monitoring is reviewed and monitored regularly.</p> <p>Appropriate and effective arrangements are in place and operate effectively to collect, store and share data. Also, when sharing data with other bodies.</p> <p>Multi-agency EU Exit planning was included in the Council's emergency planning and risk management activities during 2019/20. Rochdale's Lead Brexit Officer participated in GM Resilience forums as part of this planning process.</p>		Chief Finance Officer	<p>The Council complies fully with the principles of CIPFA's Statement on the Role of the Chief Finance Officer in Local Government 2016. The Chief Finance Officer is a member of the Leadership Team and has the right of unfettered access and reporting to the Chief Executive, Leadership Team, Cabinet and Council.</p>
7.	Implementing good practices in transparency,	<p>Mechanisms in place to report on performance, value for money and accountability of resources.</p>		Local Government Transparency Code 2015	<p>Sets out how the Government wants to place more power into citizens' hands to increase democratic accountability. The Council uses this guidance to support how it publishes data relating to services.</p>

	<p>reporting, and audit to deliver effective accountability</p>	<p>Appropriate information is provided to ensure transparency and subject to scrutiny.</p> <p>Ensuring that, when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.</p> <p>Ensuring that recommendations made by internal and external audit are acted upon within adequate timeframes.</p>		<p>Audit & Governance Committee</p>	<p>The Council monitors the implementation of external audit recommendations. Audit & Governance Committee receives an Annual External Audit Plan from the External Auditor which provides an overview of the planned scope and timing of the statutory audit of Rochdale Borough Council ('the Council') for those charged with governance. The Committee receives periodic updates on progress of the Audit Plan.</p>
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8. Impact of Coronavirus

The Coronavirus pandemic has had a significant impact on Council services. By implementing a co-ordinated response, the Council has ensured that resources have been prioritised to those most in need. Essential services have also been maintained and services have adapted to ensure resource has been focussed in the right areas. This includes, but is not restricted to, the distribution of emergency food, the distribution of vouchers to replace free school meals during school holidays, welfare support to vulnerable residents and to provide support to local businesses and protect jobs in the Borough.

The Council adapted its ways of working so as to conduct meetings and take decisions without holding face to face meetings. This was carried out in line with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 made under section 78 of the Coronavirus Act 2020. This allowed lawful decisions to continue to be made so as to maintain good governance, principles of openness and accountability. The Council has adapted its approach by assessing which decisions need to be made quickly to deal with the pandemic and which can be delayed and re-scheduled.

Members and Leadership Team have received regular updates regarding the financial impact of Coronavirus and work continues to plan for the impact on the Council's Medium Term Financial Strategy.

The Council and the CCG's joint response has been led through a Gold Command Group, comprising of key personnel within the council. A Recovery and Resilience Co-ordination Group has also been established made up of senior leaders within our joint organisations, the wider public sector and the voluntary sector. Going forward a full review of the impact of coronavirus, the lessons learnt and the opportunities to 'Build back better' will be undertaken.

9. Internal Audit and the Opinion on Internal Control 2020/21

Internal Audit's role includes examining and appraising the system of internal control established by management. It involves an evaluation of controls against an assessment of the Council's agreed risks to determine their adequacy, reliability and effectiveness and how well the responsibilities assigned to managers are being carried out in practice.

An external peer review completed in 2017 confirmed that Internal Audit conforms to the Public Sector Internal Audit Standards. The Council can also confirm that the assurance arrangements comply fully with CIPFA's Statement on the Role of the Head of Internal Audit in Public Service Organisations 2010. The next review is due to take place in 2022.

The Internal Audit Plan for 2020/21 was approved by the Audit and Governance Committee on 9th March 2020. The planned audit coverage for the year was based on an assessment of risks to provide assurance on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

Planned work has also been supplemented by ad hoc reviews in respect of suspected irregularities and other work commissioned by Officers and Members of the Council, together with assurances derived from work conducted by independent review bodies and internal assurance mechanisms.

Risks associated with the Council's operations are continually monitored by the Head of Internal Audit, and both the Audit Plan adapted where necessary and relevant resources allocated so as to allow the formation of an opinion on the Council's governance arrangements. Updates are given regularly to the Audit & Governance Committee.

During the initial part of 2020/21, Internal Audit gave support to the impact of the Coronavirus Pandemic. Despite this support, internal audit resource was appropriate, sufficient and effectively deployed in pursuit of completion of the audit plan.

Of the planned audit work completed during 2020/21, audit assurance opinions issued on the adequacy of the internal controls were recorded as 'adequate' or 'substantial' in 97.6% of cases (96.7% in 2019/20). One audit was awarded a 'limited' assurance opinion. Whilst this did not relate to the programme of material financial system audit reviews, a lack of compliance was identified in relation to the Council's relationship with Rochdale Development Agency with regard to Industrial Estates. The details of this audit work and any follow-up activity has been reported to Members in the Internal Audit quarterly reports.

The issues identified on the action plan with regard to some procurements, whilst compliant with Council's Standing Orders for Contracts, not being supported through the 'Key decision' regime have now been completed. This

prompted an additional review to be undertaken and has resulted in further actions being agreed to enhance the process.

Whilst no systems of control can provide absolute assurance, on the basis of the work undertaken in 2020/21 covering financial and operating systems, risk management and governance, the Head of Internal Audit concluded that an adequate level of assurance can be given that the Council's overall framework of governance, risk management and control remains appropriate and has been complied with.

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10. Actions Planned for 2021/22

No	Governance Issues	Action Required	Delivery programme or Lead Service	Completion Date
1	Actions from AGS 20/21.	Ensure actions completed despite Covid related disruption.	Director of Resources	Sept 2021
2	Audit of key decisions.	Revisit and review the key decision making process to ensure that all agreed updates have taken place and are being followed.	Director of Resources	March 2022
3	Complete governance related audits from the Audit Plan 21/22.	Ensure all governance related audits are completed – see narrative below for details.	Director of Resources	March 2022
4	Directors' Assurance Statements.	Consider lessons to be learnt from the most recently completed Directors' Assurance Statements process with a view to streamlining it and making it more timely in the future.	Director of Resources	Sept 2021

As referred to at section 8 above, the disruption and delay caused by the pandemic means that it will be sensible to revisit areas identified as actions in the 2020/21 Annual Governance Statement to confirm for sure whether all have been implemented or not. Section 10 within this hyperlink refers to those actions AGS 20-21.

Of particular note is that an audit is scheduled to revisit and review the key decision making process to ensure that all agreed updates have taken place and are being followed.

Furthermore, the Internal Audit Plan for 2021/22 has been developed after consideration of a number of factors. In theory, all audits in the plan may have a governance aspect to them to a greater or lesser extent. Examples of some of the audits more likely to have more of a governance related theme in them are as follows:

- Support and evaluation of the governance structure within Integrated Health and Commissioning;
- Equality and Diversity. To provide assurance whether the Council is meeting its Equality & Diversity obligations under the Public Sector Equality Duty, as referred to in the obligations under the Public Sector Equality Duty, as referred to in the Council's own EDI Strategy 2020-2024, and within the wider context of the Equality Act 2010;
- To evaluate arrangements in place in respect of Town Centre Regeneration Schemes to ensure that schemes comply with all necessary regulations and that expected outcomes from them are delivered;
- Key Decisions – as already referred to above;
- Constitutional Compliance – ensuring effective use of the delegation process; and
- Culture – To review the culture of the Authority.

The process of conducting the annual Directors' Assurance Statements which feed into the Annual Governance Statement, and reviewing and challenging the information contained within them, is something that will itself be reviewed during 2021/22 as part of a continuous improvement cycle.

Finally, it is noted that other actions may be identified and in effect added into the table above as events unfold throughout the year.

11. External Audit and Inspection Reports

The Council's external auditor is Mazars.

The audit comprises of two elements: the audit of the financial statements and the assessment of the Council's arrangements for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

The external auditor reported to the Audit and Governance Committee on 23 July 2020 about the issues arising from the 2019/20 audit and gave an unqualified opinion on the accounts for the year ended 31st March 2020. External audit concluded that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources, except for in relation to non-compliance with the Council's Constitution in respect of the key decision making process.

Ofsted inspects and regulates services which care for children and young people and those providing education and skills for learners. The last inspection took place in January 2019. A similar focused inspection was anticipated to take place in early 2020, but due to the coronavirus pandemic all inspection activity has temporarily ceased.

12 Action Plan to ensure continuous improvement of the Governance Framework

The Governance Board implemented improvements to further enhance the governance arrangements by introducing previously planned changes as noted below.



13. Conclusion

This Annual Governance Statement demonstrates that the systems and processes the Council employs continued to provide a comprehensive level of assurance to the Council and the residents of the Borough in its governance arrangements during 2019/2020.

The governance arrangements, as described above, are actioned on an ongoing basis and have provided an effective framework for identifying governance issues and taking mitigating action. Compliance levels overall have been good.

During 2020/21, the Council has been significantly impacted by the coronavirus pandemic. Changes were made to decision making arrangements and the conduct of meetings, along with the Council's priorities and programmes. Risks were identified and actioned throughout the year and, as we emerge from the immediate impact of the pandemic, a full assessment of its longer term disruption and consequences will be completed. This will include a review of the financial impact as well as the impact on processes and procedures.

Going forward, the Council will continue to review its Governance Framework and take steps to carry out the actions for improvements identified in the review to further strengthen the Council's governance arrangements.

14. Signed on behalf of Rochdale Borough Council by:

Name: Councillor Neil Emmott

Signed:

Position: Leader of the Council

Name: Steve Rumbelow

Signed:

Position: Chief Executive Officer

Name: Asif Ibrahim

Signed:

Position: Assistant Director
(Legal, Governance & Workforce) / Monitoring Officer

Name: Julie Murphy

Signed:

Position: Chief Finance Officer