

**KNOWSLEY METROPOLITAN
BOROUGH COUNCIL**

**ANNUAL GOVERNANCE
STATEMENT**

2023/24

1. Executive Summary

The Council is required to review its corporate governance arrangements, and their effectiveness, at least annually and conducts this review against its Code of Corporate Governance. This Code is consistent with the principles of the Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives' Framework Delivering Good Governance in Local Government and is available on the Council's website (www.knowsley.gov.uk) as part of the Constitution.

The Annual Governance Statement provides an account of the processes and systems which give assurance of the effectiveness of the Council's discharge of its responsibilities. This statement covers the period from 1 April 2023 to 31 March 2024.

The Council is committed to good governance and to improving governance on a continuous basis through review, learning and identification of best practice. Good governance adds value to an organisation; it ensures that the Council operates in a transparent manner, seeking to deliver the best outcomes for those residing, working or visiting the Borough. Good governance for the Council is ensuring it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The Council seeks to achieve its objectives while acting in the public interest at all times. Through its governance arrangements the Council seeks to build a sustainable and improved Borough, supporting the delivery of the Council's, and its partners', strategic outcomes. The Council is keen to work with others to achieve this; examples include:

- Independent External Auditors – the Council maintains an effective relationship with its external auditors, responding to enquiries, requests for information or similar, in a timely manner. The Council retains an honest and transparent dialogue with its external auditors over a range of items.
- Appointment of Independent Chairperson to Governance and Audit Committee – to ensure independent challenge and oversight of the work of the Council, increasing accountability and transparency.

This Statement includes an outline of the Council's Governance Framework, evidencing how governance is implemented and practiced on a day-to-day basis, and provides an evaluation of any particular issues and associated controls that have been, or are to be, put in place as a result.

2. The Purpose of the Governance Framework

The Governance Framework comprises the culture, values, systems and processes which direct the way the Council works and through which it accounts to, engages with and leads its communities. The key elements of the systems and processes that comprise the Council's governance framework are set out at Appendix 1.

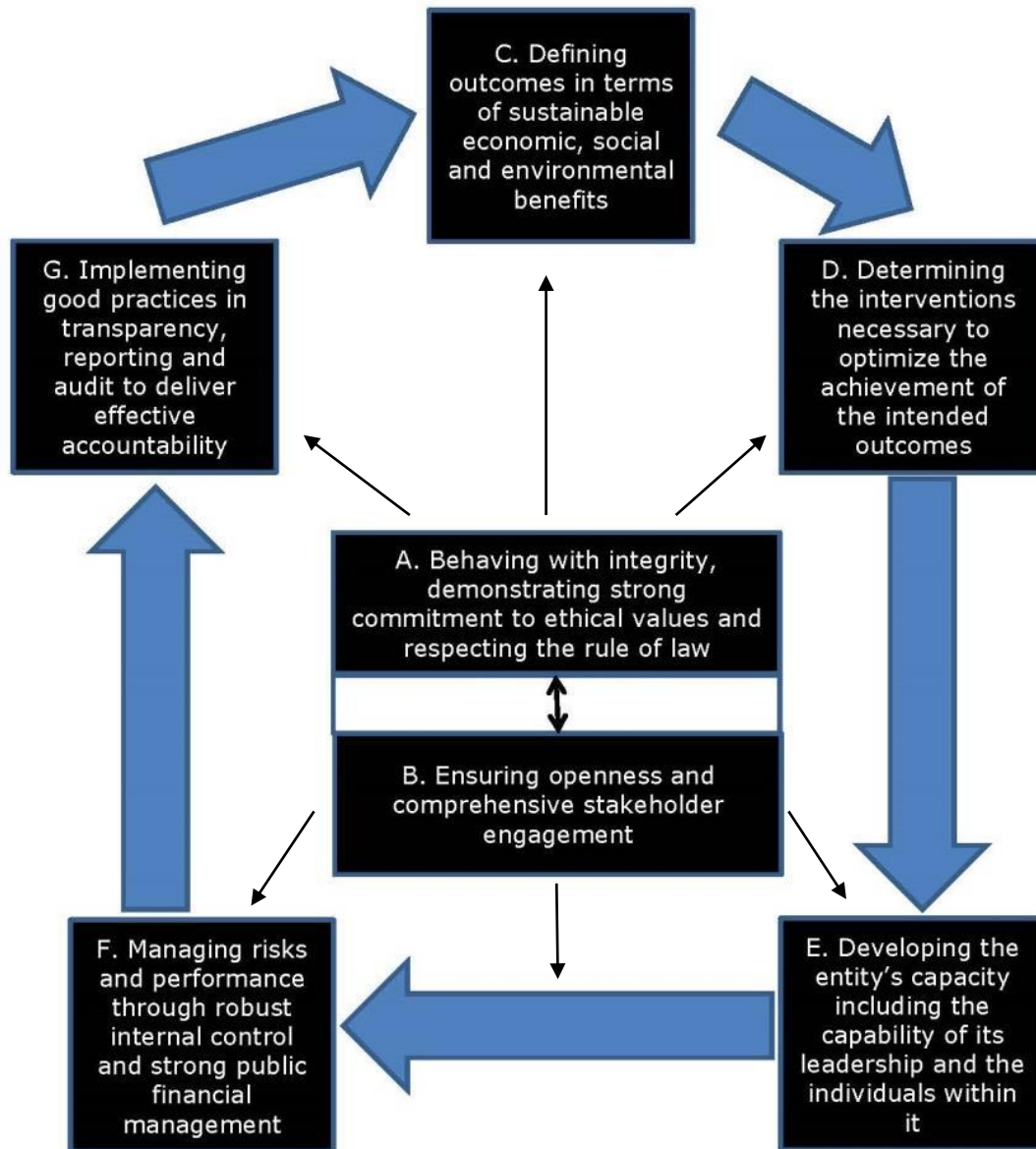
The governance of the Council is based fundamentally around its Constitution, and is supported by numerous policies, procedures, codes of practice, management processes, and a system of delegation and accountability. The Council's governance arrangements are reflected in its Code of Corporate Governance, which brings together all aspects of corporate governance, grouped according to the seven core principles of effective governance.

The Council's Constitution clearly defines the roles of councillors and officers, and this clarity contributes to effective working relationships across the Council. The Constitution is reviewed annually to examine the governance arrangements and to ensure their continued robustness. During 2023/24 this review led to a number of changes to the Constitution which were considered and agreed by the Council at its Annual Meeting held on 19 May 2023.

The Council continued to work closely with its partners through the 2023/24 financial year and, in particular, with all strategic partners via the continuing development of the Knowsley Better Together Board.

3. The Principles of Corporate Governance

There are seven principles and sub-principles of Corporate Governance adopted by the Council from the CIPFA/SOLACE framework:



How Knowsley meets each of the seven core principles are set out in the following tables with links to the key documents which demonstrate such commitments.

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

How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"> • Our Constitution sets out a series of ethical standards and values for both officers and Elected Members. It also includes an Anti-Fraud and Corruption Policy Statement (which includes the “whistle blowing” procedure and relevant contact details in this respect). These are reviewed on an annual basis as part of the formal review of the Constitution. • The Officer Code of Conduct (which forms part of the Constitution) is also reviewed annually. • We require the Register of Interests to be completed by Elected Members. Officers are also required to complete annual returns setting out any interests they may have for sign-off or action by their line manager as appropriate. • We have put in place complaints procedures, including procedures for complaints regarding the behaviour of elected or co-opted Members. • We have appointed a Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989 who is responsible for ensuring that, at all times, the Council acts within its legal powers. This officer makes regular reports to the Executive Management Team and the Governance and Audit Committee. • The Chief Executive is the Head of Paid Service. He leads the Council's officers and chairs the Executive Management Team. Our statutory officers (including the Council's Section 151 Officer and Monitoring Officer) meet regularly with the Executive Management Team to ensure compliance with the Council's policies, legal duties and relevant guidance. • Following a pay and grading review, we have implemented a pay and grading structure for all posts below senior officer level. A similar review of all senior officer posts was also undertaken and implemented during 2016. These principles are now routinely applied to any subsequent posts that are established or amended. • Financial and Contract Procedure Rules are contained within the Council's Constitution and are reviewed annually to ensure that they remain up to date and fit for purpose. 	<ul style="list-style-type: none"> • Elected and Co-opted Member Code of Conduct • Anti-Fraud Corruption Statement • Officer Code of Conduct • Members' declarations of interest are published on the Council's website (accessible via the details of each individual elected member) and recorded as appropriate within minutes of meetings • Have your say • Comments and complaints about Elected or Co-opted Member • Functions of the Monitoring Officer - Article 11 • Financial Procedure Rules and Contract Procedure Rules • Ethical Care Charter (Minute Number 74(2)) • Declaration of Intent – Race Equality (Minute Number 43(1)) • Climate Emergency (Minute Number 42(1)) • The Knowsley Council Plan 2022-2025

- Our Council Plan (The Knowsley Council Plan) contains a number of behaviours and values which the Council is committed to. This is supplemented by a number of Council resolutions, which support particular values and behaviours, that the Council's decision makers are required to act in accordance with; for example the principles of the UNISON Ethical Care Charter which aims to establish a minimum baseline for the safety, quality and dignity of care provided to clients; the declaration of intent – race equality; and the declaration of a climate emergency.

Assurance received and/or issues identified

The Council's Governance and Audit Committee considers regular reports in relation to ethical matters, both in respect of officers and Elected Members. Any proposals, decisions, or omissions which would give rise to unlawfulness or maladministration would be reported to the Council by the appropriate statutory officer. Such a report would have the effect of halting the proposal or implementation of the decision until the Council considered the report.

All Elected Members are prompted to revise their Register of Interests on an annual basis, and then as required throughout the year, and ethical standard Member training sessions are provided on a bi-annual basis. Any interests made by Elected Members throughout the year are published on the Council's website and a register of any gifts and hospitality received is also maintained.

Officers are reminded of their responsibilities in terms of behaviours via the Officer Code of Conduct. The Council continuously reviews the Code and responds to any issues that may have been highlighted during the course of the municipal year as part of the annual review. Any breaches of the Code during the year are taken seriously and dealt with promptly. Sessions have been delivered to senior officers on behaviour and ethical conduct and the principles within the Officer Code of Conduct are reflected in the Council's policies.

To assist with the management of the Officer Gifts and Hospitality Policy and the Personal Interests Policy, a recording process is in place. Officers are required to review any interests they have and make an electronic declaration in this respect on an annual basis for review and, where appropriate, action by their line manager. Officers are also required to record any Gifts or hospitality they receive on the system.

The aim of the above policies is:-

- to ensure that there is a consistent approach across the Council to any offers of gifts or hospitality as well as personal interests; and
- to protect Council Officers and ensure that they are not compromised in any way or put into a situation that is deemed to conflict with their role within the Council.

A series of values and behaviours have been incorporated in the Knowsley Council Plan in respect of the priorities to be achieved, which have also been reflected in the Council's Constitution and form part of the "My Time" discussions between senior officers and staff. My Time provides an opportunity for staff to reflect on these qualities and how they demonstrate them, to agree goals for the year in line with the Knowsley Council Plan (i.e. as defined within the relevant Service's Plan) and to discuss issues that affect staff. The aim is to identify any specific support or development

needs and to recognise and support better partnership working, both internally and externally, aligned with the Knowsley Better Together culture.

In addition, professional officers are required to comply with their professional code of ethics as appropriate, for example the Council's Internal Auditors must comply with a Code of Ethics as part of the Public Sector Internal Audit Standards (PSIAS).

The officer pay and grading review for posts below senior officer level was undertaken as part of the Authority's commitment to the 1997 national Single Status Agreement, which aims to ensure fairness and equality in relation to pay for local government employees. The senior management pay and grading review was subsequently undertaken in accordance with the nationally developed Local Government Association "Chief Officer" Scheme. This ensured that the approach to the pay and grading of all of the Council's workforce was transparent, consistent and in accordance with the same principles, and continues to be applied to any subsequent posts that are established or amended.

B Ensuring openness and comprehensive stakeholder engagement

How we meet this principle

- The Council's planning and decision-making processes are based upon the presumption of openness and transparency, with all decisions published on the Council's website. These decisions provide clear reasoning and rationale.
- Our planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- We have undertaken service specific consultation with key stakeholders and service users directly through letters, emails, surveys and meetings.
- All Members offer surgeries for their constituents. All Members are also available by email and mobile telephone.
- The Knowsley Engagement Forum acts as a central co-ordinating forum for engagement and consultation direct with the public, including a locality perspective.
- We also work extensively in partnership with other organisations in the Borough in keeping with our Knowsley Better Together approach (NB see "Determining the interventions necessary to optimise the achievement of the intended outcomes" below for further information in this respect).
- The Council is invited to nominate Members to sit on a wide range of outside bodies. These outside bodies vary considerably in their status and purpose, with some having a specific

Where this is demonstrated

[Council Committees](#), [Delegated Decisions](#) and [Forthcoming Key Decisions](#)

Members' surgery details are available on the Council's website (accessible via the details of each [individual elected member](#)) and the public are encouraged to make comments via the on-line "[Have your say](#)" facility.

Information on the Knowsley Better Together Board is available [here](#).

Knowsley focus and others concerned with Merseyside-wide or national matters. Such appointments are determined at the [Council's Annual Meeting – Item 10 refers](#). Details of the appointments are also listed in the information for each [individual elected member](#) on the Council's website.

- In terms of the formal meetings of the Council, and its Committees, public meetings are held 'in-person' on site and continue to be livestreamed for public viewing. This footage is available to view for up to six months after the relevant meeting.

Assurance received and/or issues identified

The Knowsley Engagement Forum provides assurance that appropriate networks, groups and individuals are being engaged in the commissioning and development of services and investments on behalf of the partnerships in Knowsley.

Specific consultation exercises undertaken by the Council during 2023/24 included:

- Development of the Knowsley Economic Growth Strategy;
- The Halewood Investment Masterplan;
- Proposed Knowsley Cemetery Extension;
- Council tax for Second and Empty Homes;
- Public Art Trail in Huyton;
- Feasibility Study for Northwood Community Allotments;
- Annual review of the Constitution;
- School Admission Arrangements 2024/25;
- Scrutiny Public Consultation 2023-2024;

Users of social care services are surveyed routinely and the results are used to inform service development and improvement.

C Defining outcomes in terms of sustainable economic, social and environmental benefits	
How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"> • The Knowsley 2030 Strategy has been co-produced with strategic partner agencies, Knowsley residents, businesses, and Elected Members. The commitments within the Strategy are co-owned by all key partner agencies within the Borough with a view to being collectively delivered following Knowsley Better Together principles. The Strategy is the culmination of an extensive process which began with gathering and understanding a range of evidence and insight from stakeholders about Knowsley today and about the aspirations of communities and businesses for the Borough in the year 2030. Working with partner agencies, Council officers have analysed this significant body of evidence and subsequently developed the aspirations and commitments within the Strategy. • The Strategy focuses on five strategic outcomes which describe a vision for the kind of Borough stakeholders want Knowsley to be by 2030. Those outcomes are: <ul style="list-style-type: none"> - A place with welcoming, vibrant and well-connected neighbourhoods and town centres; - A place with a thriving and inclusive economy with opportunities for people and business; - A place where people are active and healthy and have access to the support they need; - A place where people of all ages are confident and can achieve their full potential; and, - A place where strong and safe communities can shape their future. <p>The Knowsley Council Plan 2022 – 2025 sets out the Council’s vision - <i>Supporting Knowsley’s People and Communities to Thrive</i>. To ensure that the Council realises this vision, the Knowsley Council Plan is focused on three key priorities:</p> <ul style="list-style-type: none"> (i) Effective Support for those in Need – ensuring that all Knowsley residents are able to access necessary support and services; (ii) Inclusive Growth and Skills - ensuring that all of Knowsley’s communities are able to share in the opportunities from local economic growth; and, (iii) Achieving Net Zero 2040 – ensuring that the Council plays a leading role in local action to address the Climate Emergency. • The Knowsley Council Plan also includes the following “enablers” which underpin the successful delivery of the three corporate priorities:- 	<p><u>Knowsley 2030 Strategy</u></p> <p><u>The Knowsley Council Plan 2022-2025</u></p>

- (i) Stronger communities;
- (ii) Organisational resilience;
- (iii) Efficient and effective service delivery; and,
- (iv) Early intervention and prevention.

- The Annual Delivery Plan provides focus for the next year and will ensure that the Council continues to support those in greatest need amongst Knowsley’s communities, working alongside strategic partner agencies to reduce longstanding inequalities in the Borough. The 2024/25 Delivery Plan was endorsed by the Council on 6 March 2024.
- As part of the wider Liverpool City Region and its Combined Authority, we play an important part in the ongoing implementation of the City Region’s Devolution Agreement with the Government and the wider work of the Liverpool City Region Metro Mayor.
- We have established a Health and Wellbeing Board, a Council committee which assesses the health and wellbeing needs of the local population and leads the statutory joint strategic needs assessment, promotes integration and partnership and holds the partner organisations to account.

[Annual Knowsley Council Delivery Plan 2024-25 \(min 46 refers\)](#)

[Liverpool City Region Combined Authority information](#)

[Knowsley Health and Wellbeing Board Procedure Rules](#)

Assurance received and/or issues identified

By delivering high quality services which provide value for money and are aligned to the needs and priorities of the local community, the Council continues to make a vitally important contribution to achieving the long-term vision of the Strategy for Knowsley. Progress against 2030 outcomes is monitored twice each year at the Knowsley Better Together Board.

The Knowsley Council Plan is an essential tool in setting out what the Authority will do to make the contribution referenced above, providing a framework for financial planning and performance management. The improvements to be achieved through the actions in the Plan are set out in more detail through the Council’s internal annual Departmental and Service planning process. Key actions, performance measures and risks contained in these plans are monitored and reported to Elected Members to ensure successful delivery.

Departmental Plans set out how Council services will contribute towards the delivery of the priorities set out in the Knowsley Council Plan. These Departmental Plans are monitored on a quarterly basis in consultation with the relevant Cabinet Portfolio Holders. These foundations have enabled an effective approach to monitoring and reporting, with a tighter focus on progress against agreed milestones and impact.

Regular update reports are presented to the Cabinet on the delivery of the 2022-2025 Knowsley Council Plan. Such reports set out the achievements made together with the identification of the challenges to be addressed in relation to the delivery of specific priorities that are carried through to subsequent Council Plan monitoring update reports as areas of focus [Knowsley Council Plan Monitoring Report \(min 30 refers\)](#).

However, the Council faces the constant challenge of balancing day-to-day service delivery with the longer-term requirement to transform and reform public services, at a time when Government funding is failing to keep pace with rising costs and rising demand. The linking of performance and resources is of critical importance in view of the ongoing financial challenges being faced by the public sector and the impact this has on the level and quality of services that can be provided. At a strategic level, the Council's priorities and budget-setting processes have been aligned with the Council Plan and Financial Strategy being developed and monitored together.

D Determining the interventions necessary to optimise the achievement of the intended outcomes

How we meet this principle

Where this is demonstrated

- “Knowsley Better Together” (formally agreed by the Cabinet in July 2017) has been developed with a view to encouraging greater partnership working between the Council, businesses, residents and other stakeholders.
- The Council’s Medium-Term Financial Plan, Revenue Budget and Capital Programme set out how the Council allocates resources to priorities.
 - The Medium-Term Financial Plan is approved by the Full Council each March. The Medium-Term Financial Plan for 2023/24 to 2025/26 was approved by the Council on 8 March 2023.
 - The Capital Programme is monitored and reported during the year. The most recent monitoring report for 2023/24 was reported to the Full Council on 6 March 2024.
 - Having considered Cabinet’s budget proposals, and further proposals put forward by the political groups, the Council’s 2023/24 Revenue Budget was approved by the Full Council on 8 March 2023.
 - Regular budget monitoring reports were considered by the Cabinet throughout the year. The final budget monitoring report for 2023/24 was reported to the Cabinet on 5 June 2024.
- We have a planning process (part of the Council’s overarching performance management framework) which sets out in detail the actions to achieve the priorities in the Council Plan which, in turn, is reviewed on an annual basis.

[Knowsley Better Together](#)

[Budget Council Meeting – 8 March 2023](#)

[Capital Programme 2023/24 and Future Years - Monitoring Update Min 51 refers](#)

[2023-24 Budget Monitoring - Final Outturn Report - Item 4 refers](#)

- The “Assurance and Delivery Unit” reports directly to the Chief Executive to ensure that there is an early warning system in place to identify potential risks and issues in relation to service delivery and the achievement of key priorities. In addition, a quarterly horizon scanning meeting takes place with the Executive Management Team to review strengths, areas of concern and areas to watch to determine and identify interventions where appropriate.
- Our Contract Procedure Rules within the Constitution include requirements in relation to the consideration of Social Value, and we have adopted a “Social Value Statement” which sets out the Council’s social value outcomes and measures to support the vision, priorities and actions of the Council Plan to make Knowsley the “Borough of Choice”.
- All decisions made by the Council, the Cabinet, or Committees are made on the basis of written reports, which include information on legal and resource implications, equality and environmental assessments, consideration of the risks involved and their management, and communication issues. All such reports are required to include, as an appendix, a completed Equality Impact Assessment.

[Contract Procedure Rules](#)

[Social Value Statement](#)

Assurance received and/or issues identified

Departmental plans are monitored and reported to Elected Members to ensure successful delivery. These plans, updated annually, include clear identification of objectives and targets, reflect Council Plan priorities, set out key performance indicators and include risk registers identifying risks in meeting the objectives. In response to COVID-19, all services were required to demonstrate that they have Business Continuity Plans in place and that these are being reviewed on a regular basis to identify key risks and priorities, with associated control mechanisms.

In recent years the Council has not had to make significant cuts to service budgets, but this is unlikely to be the case going forward. Any savings identified as part of the budget setting process represent a significant challenge and there is a risk that future budget shortfalls may not be resolved thereby resulting in unplanned or reactive service cuts. In order to mitigate this risk, the Council has adopted a performance-based approach to its Financial Strategy. The core principles of this approach are that the Authority’s budgets should be allocated to deliver the most sustainable impact on the Council’s priorities and to ensure that statutory and regulatory requirements are met most efficiently and effectively. To enable this, a more integrated approach to budget setting and service planning has ensured that budget allocations are more directly linked to agreed performance levels, expected levels of efficiency, and the adoption of key policy principles including prevention, behaviour change and social value.

These principles are established in the Medium-Term Financial Strategy and Capital Strategy – as approved by the Full Council each March.

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

How we meet this principle	Where this is demonstrated
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- All new Elected Members and employees undertake an induction to familiarise them with the protocols, procedures, values and aims of the Council.
- We run a Member Development Programme to assist Members and strengthen their capacity as confident and effective political and community leaders, who are capable of forming healthy and productive relationships, networks, and partnerships.
- We run regular senior manager conference sessions and senior manager networking sessions, chaired by the Chief Executive.
- We provide opportunities for staff to study for professional qualifications, for example those accredited by the Institute of Learning and Management (ILM) which supports the Leadership Development Programme.
- We have continued to revise our governance arrangements on an annual basis to ensure that they remain appropriate and fit for purpose.
- A review of the Council's departmental structure and senior officer arrangements has been undertaken and implemented in order to ensure that there continues to be clear lines of accountability and to ensure maximum value for money for the Council.
- With effect from April 2023, all service plans will now include key workforce planning priorities. A new People Strategy is being developed in union with the development of the Council Plan and the Council has also invested in Human Resource Business Partners who will directly support departmental management teams to ensure their workforce plans are delivered.

Elected Member induction programme
 Employee induction programme
 Member Development Programme

Assurance received and/or issues identified

As part of the Council's strategy for Elected Member development, a Members' Training and Development Programme was introduced in July 2004. The Programme has been reviewed and updated annually by the Members' Training and Development Task Group taking account of the financial challenges that the Council has faced over the past few years, corporate priorities and ongoing feedback from Members.

The Task Group agreed the programme for 2023/24 at its meeting held on 2 March 2023 in preparation for the 2023/24 municipal year, which was divided into the following seven elements:

- Essential Training;
- Role Specific Training (which was classed as “essential” for relevant members but offered out to all Elected Members where appropriate to do so);
- Seminar/Ad hoc programme;
- Online training/workbooks;
- Leadership Academy Programme;
- Leadership Essentials Programme; and
- Training Needs identified by Elected Members.

In terms of employees, the Learning and Development Strategy ensures, through linking closely with the Corporate Priorities and via a series of cascaded training and development priorities, that employees are supported to have the essential skills and competencies to carry out their roles. Specific service budgets and external funded streams are allocated to resource this learning and development. Knowsley Council also maximises the use of the Apprenticeship Levy (where possible), Skills for Care Funding and partnerships with HE (Higher Education) Educational establishments to align learning and development needs to accredited, funded qualifications and to access to newly qualified staff to support our recruitment strategies. We are using close relationships with services to identify training needs and to predict growth areas which link to the Council’s workforce planning programme.

During 2023/24, the following planned training interventions have taken place to support our Learning and Development Strategy:

- 285 training courses have been provided to the workforce across all occupational areas and to employees occupying full, part time, fixed term and temporary contracts.
- In addition to the occupational training course places (above), the Council started to deliver an intensive two day induction from November 2022 for all new starters to the Council. This programme was developed to provide a consistent experience for all new starters. Content includes a range of facilitated topic areas such as a Welcome to the Council by a member of the senior management team, the Knowsley Better Together Journey, Communication and Resources, Culture and Compliance. During 23/24 251 new starters have attended the two day induction.
- 93 existing employees were supported to access occupational apprenticeship levy funded qualifications during 2023/24 which covered 28 different occupational qualifications. 12 new members of staff joined Knowsley as an apprentice.
- On externally accredited management qualifications, 4 employees participated in the Level 7 MSc in Public Sector Leadership, 15 delegates have participated in the Level 5 CMI in Operations Management, 16 employees participated in Level 4 Lead Practitioner qualifications and 7 employees participated in the CMI Level 3 Team Leader.
- 24 students have completed/started their Social Work placement within Knowsley, participating in 420+ hours of support sessions.
- There are currently 31 NQSWs on programme across Adults and Children’s, with four more scheduled to start in each service in the coming months.
- Over 22,395 hours of training have been accessed by employees and partner organisations, both face to face and via e-learning on our virtual

platforms period which host over 450 targeted e-learning, video and podcast resources.

- This year we have continued to support a range of needs led workshops for target groups such as our Operational Workers Groups, Support Group for Men, Empowerment for Women and Menopause Awareness Workshops and Women into Leadership.

This year we have also made more progress on our Council-wide Workforce Sufficiency Programme. We have improved our recruitment journey, reducing the time to recruit to 6 weeks and improving the recruitment experience for all candidates applying for jobs in Knowsley, which has included a shift to recruitment via CV for most roles. We have also taken steps to improve our employee benefits offer, introducing a salary sacrifice scheme for electric and hybrid vehicles. We have also implemented a more structured Employee Exit strategy which is providing intelligence to further inform our planning and resource management in Knowsley. Support sessions and consultation has been provided which examines the skills and competency needs of the organisation now and in the future so that we can align our current and future workforce to those needs. Continuous opportunity for employee development plays a large part in psychological investment with employees and we make sure that all opportunities are offered in a transparent and accessible way. To support the aims of this we have also recruited and are training 7 graduates and 11 'new hire' apprentices. These have been recruited to a wide range of vacancies across the Council on initial two-year fixed term contracts to support capacity building, succession planning and talent management. A further 8 graduates are also continuing to fulfil their graduate programme. It is envisaged that this programme will continue subject to appropriate funding.

In terms of the Council's decision-making governance arrangements, the seven Cabinet Members (acting collectively) and officers (acting under delegated powers) have responsibility for executive decision making. Individual Cabinet Members are consulted on matters within their defined remits, and on relevant forthcoming executive decisions. In addition, Scrutiny Committees (which undertook the Council's scrutiny function collectively during 2023/24) were also consulted on forthcoming key decisions (in accordance with their remit) in order that they could have a role in shaping decision making.

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

How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"> • In November 2022, the Cabinet approved a Risk Management Policy, replacing the previous Risk Management Strategy, setting out the roles and responsibilities of Elected Members and Council officers which must be fulfilled to ensure that the Authority continues to implement an effective approach to risk management. • Regular review of the Strategic Risk Register. • The Governance and Audit Committee meets regularly to provide independent assurance to the Council in relation to the effectiveness of the governance, internal control environment, treasury management, standards, and risk management framework. It receives regular reports on performance and reviews progress against any internal audit recommendations previously made. The Committee undertakes the core functions as identified in the 	<p>Risk Management Policy - (min 24 refers)</p> <p>Strategic Risk Register - Item 36 refers</p> <p>Governance and Audit Committee Annual Report 2022/23 - (min 29 refers)</p> <p>Governance and Audit Committee Meetings</p>

Chartered Institute of Public Finance and Accountancy's Audit Committees – Practical Guidance for Local Authorities, and:

- provides independent scrutiny and assurance on the adequacy of the internal control environment and risk management framework;
- reviews the Council's policies relating to governance and audit matters;
- considers the strategic direction of counter fraud and internal audit, and the review of the effectiveness of internal audit;
- supports and reviews standards of conduct;
- reviews the treasury management strategy and performance; and,
- oversees the financial reporting process.

- The Council's Scrutiny Committees examine the operations and policies of the Council.
- We have an independent counter fraud team and an internal audit team with arrangements for reviewing the implementation of their recommendations. The Governance and Audit Committee approves the Internal Audit Operational Plan and receives progress updates during the year.
- Performance and progress against the Council Plan is evaluated regularly using a performance management framework which provides for:
 - the systematic review and reporting of performance across the Council; and
 - the establishment and monitoring of achievement of the Council's aims.
- Our Medium-Term Financial Plan, Revenue Budget and Capital Programme set out how the Council allocates resources to priorities. These are approved by the Full Council each year and monitoring reports are submitted throughout the year to the Cabinet.
- The Council agreed an overall Capital Strategy for 2023/24, which explains how the Council's capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The overall Strategy includes the following components:
 - A Capital Strategy report;
 - The Capital Programme Monitoring Report;
 - The Treasury Management Strategy; and
 - The Investment Strategy.

[Scrutiny Committees](#)

[The Knowsley Council Plan 2022-2025](#)

[Council Budget Meeting – 8 March 2023](#)

- The Council's 2023/24 Treasury Management Strategy sets out the Council's plans for the overall management and control of the Council's cash income and expenditure for 2023/24. The Strategy takes into account updated forecasts on interest rates and covers various aspects of the treasury management function including:
 - identifying the controls and limits in place to minimise the risk of the treasury activities of the Council;
 - determining the Council's borrowing requirements for the year;
 - establishing the strategy for borrowing in terms of sources and types of loans;
 - setting an approach to be followed in the event of any rescheduling of debt which may be required;
 - outlining the Council's Minimum Revenue Provision Policy in line with regulations; and,
 - detailing the Annual Investment Strategy to be adhered to when placing funds on deposit.
- The Council's Statutory Officers report regularly through to the Chief Executive highlighting any issues and areas of risk along with actions taken/to be taken to address them.
- The Council has a [whistle blowing policy](#) providing an avenue for people (both internally and externally) to report issues anonymously. A panel subsequently considers the issue reported, chaired by the Head of Finance if the matter is financial or by the Monitoring Officer in any other instance.

Assurance received and/or issues identified

The Council's Risk Management Policy also outlines the roles and responsibilities of all Council employees in the effective implementation of the organisation's approach to risk management. There are key roles for the Cabinet, the Governance and Audit Committee, Portfolio Holders, and Executive Directors and Service Managers. The Policy is also underpinned by a comprehensive Risk Management Toolkit, which provides guidance on implementing an effective approach to risk management.

The Strategic Risk Register is reviewed on a regular basis as part of the Council's performance management arrangements. A formal review is also carried out following the annual refresh of the Knowsley Council Plan in order to ensure that the Strategic Risk Register remains aligned to the Council's priorities. The Strategic Risk Register is reported to the Cabinet for approval after each full annual review and is monitored and updated on a regular basis as part of the Council's effective performance management framework. Risks are monitored by Departmental Management Teams and reported to the Cabinet Portfolio Holders on a quarterly basis alongside updates on the delivery of key priorities and performance indicators; and the Governance and Audit Committee also receives an annual review of the Strategic Risk Register to independently review the actions taken to mitigate risks.

Each year the Council considers a Governance and Audit Committee Annual Report which summarises the work of the Committee during the year and sets out how the Committee examined and challenged the arrangements for effective governance. The Annual Report also indicates the breadth of the Committee's role in ensuring that every aspect of the Council's work should be compliant with standards and transparent to its stakeholders. In this way, the Annual Report demonstrates the value of the Committee to the Council and the public, ensuring that governance is on a sound footing. The Governance and Audit Committee, at its meeting held on 25 September 2023, approved the Governance and Audit Committee Annual Report for 2022/23 and was endorsed by Full Council at its meeting held on 18 October 2023.

The Governance and Audit Committee reviews the Strategic Risk Register (which the Cabinet subsequently approves). The Committee, at its meeting held on [29 January 2024 \(Minute 26\)](#) considered a report on the Council's revised Strategic Risk Register, following a full review of the Risk Register. This ensured that the strategic risks remain aligned with the Council's priorities. The updated Strategic Risk Register included a full update on the work which had taken place to mitigate significant risks during a period of unparalleled challenges. There were 38 risks on the Strategic Risk Register – 16 were rated "High", 17 were rated "Medium", and 5 were rated "Low".

The Council's five Scrutiny Committees (Children, Climate Emergency, Inclusive Growth and Skills, Health and Adult Social Care, and Stronger Communities) supported and enhanced the Council's decision-making processes during the year; they also supported the development of policy, monitored performance and made recommendations to support improvement. Each year, Council considers an Annual Scrutiny Report that provides a brief overview of how Knowsley's Scrutiny Committees work and what they have achieved over the previous municipal year (see [Annual Reports 2022/23 min 29 refers](#)).

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

How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"> • Our governance roles and responsibilities are defined within the Constitution and allocated so that accountability for decisions made and actions taken are clear. Additionally, there are several committees established to discharge the Council's regulatory and scrutiny responsibilities. • In accordance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Financial Officer in Local Government (2016), our Section 151 Officer is professionally qualified, reports directly to the Chief Executive, and is a member of the leadership team with a status equivalent to the other members. • In accordance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Head of Internal Audit (2019), the Chief Internal Auditor is a professionally qualified and suitably experienced senior officer who leads and directs an internal audit service that is resourced to be fit for purpose, and has regular and open engagement across the organisation (particularly with the Executive Management Team and the Governance and 	<ul style="list-style-type: none"> • Constitution:- <ul style="list-style-type: none"> Part 3 – Articles (in particular, Article 11 provides information on the Council's Statutory Officers) Part 3, Section 1 – Cabinet Portfolios and Scrutiny Committee Arrangements Part 3, Section 2 – Terms of Reference Part 3, Section 4 – Scheme of Delegation to Officers Part 3, Section 5 – Proper Officers

Audit Committee). The Internal Audit team operates in accordance with the requirements of Public Sector Internal Audit Standards (PSIAS) and has an established Quality Assurance and Improvement Programme (QAIP).

- Various Internal Audit and External Audit reports are considered by the Governance and Audit Committee throughout the year.
- Our Constitution sets out how the Council operates and the process for policy and decision making, and budget setting. Meetings are open to the public (except where items are exempt under relevant Access to Information legislation), and forthcoming key decisions are published on the Council's website and are made available to the scrutiny committees at the earliest opportunity to secure their engagement where appropriate.
- All decisions taken by the Council, including decisions taken by officers in accordance with the Scheme of Delegation set out in the Constitution, are published on the Council's website in accordance with relevant statutory requirements.
- We are continually developing the information we make available via our Publication Scheme and have been reviewing procedures to ensure that the information held by the Council is compliant with the General Data Protection Regulation (GDPR).
- We have joined the national scheme with PSAA Ltd in relation to the appointment of the Council's external auditors. Following the conclusion of the Redmond Review into the review of local audit practices, a new regulator, the Audit, Reporting and Governance Authority (ARGA) has been established. It contains a standalone local audit unit bringing all regulatory functions into one place to coordinate a new, simplified local audit framework. ARGA undertakes audit quality reviews and provides annual reports on the state of local audit. The PSAA is still responsible for the procurement and contract management of external auditors.

Part 4, Section 3 – Budget and Policy Framework Procedure Rules

Part 4, Section 7 – Financial Procedure Rules

Part 4, Section 8 – Contract Procedure Rules

[Governance and Audit Committee information](#)

[Forthcoming Key Decisions](#)

[Council Committees](#)

[Delegated Decisions](#)

[Publication Scheme](#)

[Privacy Policy](#)

Assurance received and/or issues identified

The Constitution is reviewed at least once each year in consultation with Elected Members and with officers from across the Council and amended as appropriate when necessary. The Constitution defines and facilitates policy and decision-making processes and includes Rules which determine the financial management of the Council and the reporting of financial matters. It also includes mechanisms for ensuring compliance with established policies, procedures, laws and regulations, including those relating to the publication of decisions and associated information.

The Internal Audit service reviews the systems for governance, risk management and internal control. Compliance checks are carried out with Council policies and, where incidents of non-compliance are identified, appropriate action is taken. An important aspect of governance is the need to ensure that all of the Council's policies are up to date, relevant, and consistent. As such, a "policy library" is managed and regularly reviewed by the Policy and Research Team with a view to ensuring that responsible officers review relevant policies in a timely manner.

All draft proposals and reports with financial implications are dealt with in consultation with the Section 151 Officer and he also has responsibility for the Financial Management Service including the Counter Fraud and Internal Audit teams. Crucially, he leads the promotion and delivery of good financial management across the Council so that public money is safeguarded and used appropriately, economically, efficiently, and effectively at all times.

During May/June 2024, with regard to the implementation of the General Data Protection Regulations (GDPR) across the authority, an extensive mandatory training programme was undertaken for all Council employees. Staff were required to complete a Data Protection Essentials (May 2024) E-Learning Module which reminded employees of their personal responsibility to ensure that data was used in accordance with GDPR. For those employees who failed the online assessment, feedback was given on the data protection requirements in order to assist them to complete the re-take assessment. All staff have also been reminded of the need to complete an annual return in relation to their interests and any gifts or hospitality in line with the Officer Code of Conduct.

The Council has entered, and continues to enter, into a number of formal and informal partnership arrangements. These are integral to developing and delivering the Knowsley 2030 strategy and enabling services to operate efficiently and to continue to meet the needs of Knowsley's communities and businesses.

With this in mind, a Partnership Policy has been developed with a view to providing assurance that strong governance arrangements are in place in this respect; in particular, to ensure that all partnerships are acting in the best interests of the Council and appropriate risk management arrangements are in place.

For the purpose of the Policy, a partnership is defined as "any arrangement that involves an agreed association between the Council and at least one other outside body, group or organisation with a view to working together to achieve shared goals, aims or objectives".

Any service area engaged in a partnership, or thinking of establishing a Partnership, must complete the governance checklist proforma. To assist and support staff, a dedicated website has been developed.

The Council's external auditors, Mazars, are invited to all meetings of the Governance and Audit Committee held throughout the year. The following items have been presented to the Committee by Mazars during 2023/24:-

[Mazars - Minute 3 refers](#) (19 June 2023)

[Mazars Progress Report \(Minute 14 refers\)](#) (25 September 2023)

[Mazars Update - Minute 24 refers](#) (29 January 2024)

4. Review of Effectiveness

The principles of being a co-operative council embody an approach to local governance for the Authority in terms of community leadership, partnership and co-operation, retaining jobs and investment locally, building social value, and empowering residents to take an active role in their communities. This recognises the need to move focus from universal service provision to supporting people to be less dependent on public services and more able to find solutions from within their communities to the challenges and opportunities which they face and is reflected in the principles of Knowsley Better Together.

Specific areas of review, along with issues facing the Council during 2023/24 and the Council's response to these, are set out below. Actions undertaken during 2023/24, and further actions proposed for 2024/25, are set out in Appendices 2 and 3 respectively.

Financial Management

On 8 March 2023 the Council approved its Net Revenue Budget for 2023/24 ([agenda available here - min 60 refers](#)). The net budget of £216.894m (£190.556m in 2022/23) was funded by Retained Business Rates and Grant Funding of £122.744m (£108.386m in 2022/23), other Government Grants of £26.092m (£18.881m in 2022/23) and Council Tax receipts of £68.058m (£63.299m in 2022/23).

Financial performance against the approved service budgets has been monitored and reported to Members throughout the year. The final 2023/24 Budget Monitoring Report was reported to the Cabinet on 5 June 2024. This explained a budget deficit of £1.351m at the end of the year, which was an improvement of £2.697m since the Quarter 2 forecast was reported to the Cabinet on 21 February 2024. Through effective budget monitoring work, the Council had previously anticipated a year-end deficit position and had therefore acted to set aside sufficient one-off resources to manage this position. It is therefore able to report a balanced overall position at the end of the year.

Inflation pressures continued to have a significant impact on the costs of providing essential public services during 2023/24 – with an overall impact on service budgets of £2.048m. Excluding the impact of inflation, Council services are reporting an overall operational deficit of £3.255m at the outturn stage – which represents 1.6% of total service budgets. This underlying service deficit reflects significant cost and demand concerns which have been reported throughout the year – primarily a deficit of £4.323m in relation to Children's Services. The main component of this is increased costs of placements for looked after children due to greater demand, duration and complexity of care needs. The Children's Services Department is also incurring significant increases in spending on Home to School Transport provision as a result of additional demand and provider costs.

The Children's Service budget deficit is offset by surpluses across all other Council service areas – which demonstrates the continuing effectiveness of actions being taken by service managers across the Council to manage budget pressures, and also the continued importance of Council-wide restrictions on non-essential expenditure.

The position in respect of Council-wide and contingency budgets (after funding inflation) is a surplus of £1.904m, which reduces the overall Council deficit to £1.351m. While the underlying budget pressure in 2023/24 can be managed through the planned allocation of one-off resources, the Council's ongoing budget is facing increasingly difficult challenges. Significant investment has been included in the 2024/25 budget to address future spending pressures in relation to Adult and Children's Social Care – but those budgets remain highly volatile and will require close monitoring in the coming months.

Statutory Officer Reporting

Neither the Section 151 Officer nor the Monitoring Officer was required to report any adverse matters during the course of the year as required under the various Acts.

The Knowsley Offer

Building on the aspirations of the Knowsley 2030 Strategy, the key purpose of the Knowsley Offer is to work with residents and businesses to identify what needs to be in place to enable them to thrive and to enable the Borough to achieve its 2030 ambitions. Extensive engagement was undertaken over the summer of 2022 to find out people's views on living and working in Knowsley. Following analysis of the engagement findings, the Knowsley Better Together Partners developed the content of the public-facing Knowsley Offer which was launched in early February 2023 and is hosted on the Knowsley Better Together website www.knowsleybettertogether.co.uk/TheOffer.

The Knowsley Offer is a powerful tool for residents and businesses as a one stop shop of all essential services and support available to them to enable them to thrive. The Offer consists of ten chapters as follows:-

- (i) Your Money;
- (ii) Health;
- (iii) Housing;
- (iv) Community Safety;
- (v) Children and Young People;
- (vi) Jobs and Training;
- (vii) Business;
- (viii) Support for Adults;
- (ix) The Place; and
- (x) Get Involved.

As the Knowsley Offer is online, extensive communications have been shared to support residents to get online. This includes Digital Buddies being available in all of the Borough's five libraries, as well as promoting the digital drop-in sessions being delivered through Knowsley's Family And Community Education (FACE) service.

Service Complaints and Compliments

The recording, monitoring, and reporting of complaints and compliments is integrated under the Council's "Have Your Say" policy and procedure. The approach divides complaints and compliments between three broad categories - Adult Social Care, Children's Social Care, and other Council services. Overall, 889 complaints were received, 37% of which were upheld, partially upheld, or justified on review. In the previous year the Council received 1000 complaints, 29.5% of which were upheld, partially upheld, or justified on review. In addition, 166 compliments were received (a decrease of 10 from the previous year).

On 19 July 2023, the Local Government and Social Care Ombudsman issued, and subsequently published, the Council's 2023 Annual Review letter. The content of the Annual Review Letter had been reported to the Governance and Audit Committee in September 2023 ([agenda available here](#)).

Internal Audit Activity

As an independent and objective assurance function, the Council's Internal Audit service completed a programme of reviews throughout 2023/24 providing an opinion on internal control, risk management, and governance arrangements. Where appropriate, the audit review also considered whether value for money was being obtained. The Internal Audit Team complies with the professional practices of the Public Sector Internal Audit Standards. The Internal Audit Operational Plan was submitted to the meeting of the Governance and Audit Committee on 19 June 2023.

Full details of the audit work undertaken during the year are due to be reported to the Council's Governance and Audit Committee in September 2024. The report will confirm that, during 2023/24 Council systems were generally working in an efficient and effective manner. During the year, several services requested the advice of internal audit when introducing new systems and processes, ensuring that fraud prevention measures were built into the design of these systems from the outset. These included changes to the cash "imprest" account processes and a review of the Council's home to school transport arrangements. The audit work during the year continued to focus on the Council's key financial systems, including the development of the new Oracle HR / Payroll system. A range of planned audits were completed providing post payment assurance in relation to several government grants. A series of Strategic Audit reviews were completed to provide assurance on the Council's declarations of interests, gifts and hospitality; Climate Change agenda; and Land and property disposal arrangements.

For the remainder of the Council's significant activity, assurance can be obtained from the systems and processes outlined in this statement and the audit coverage of these systems and processes during the year. Audit work undertaken covered a range of the key risks within the organisation and, combined with other sources of assurance, considered the arrangements for governance, risk management and control over key corporate risks. The extent of audit work in 2023/24 was lower than planned due to capacity pressures within the team, which means that the Chief Internal Auditor is able to provide only a moderate assurance opinion. However it should be noted that this is due only to the limited volume of work that could be undertaken, and does not reflect any particular areas of concern identified by that work. None of the individual audit reports completed during the year were rated as "Limited Assurance"; no "Critical Priority" recommendations were identified; and no major or significant risk-rated findings were identified. Follow up work was also undertaken to establish the status of previous audit recommendations, which confirmed that for the large majority of recommendations the recommended actions had been implemented within agreed timescales. Therefore, for the audit work that was undertaken during the year a substantial level of assurance has been provided.

More detailed definitions of the levels of assurance in relation to the Chief Internal Auditor's opinion are set out in Appendix 4 to this Statement.

The Internal Audit service continues to work closely with the Counter Fraud Team to maintain robust counter fraud arrangements and has undertaken planned activities reflecting the CIPFA Code of Practice – Managing the Risk of Fraud and Corruption. This work focuses on identifying fraud risks and emerging fraud trends. The Council also takes part in the National Fraud Initiative data matching exercise. Assurance is also gained from the role of the Council's Investigation Panel which continues to ensure that all allegations of fraud or suspected irregularities are investigated fully.

To give assurance to school governors that there is secure financial management in place, schools complete annually the Schools Financial Value Standard self-assessment, which is available to the Council. These returns were reviewed by Internal Audit and were consistent with the most recent audits undertaken. Of those 14 schools audited during 2023/24 there were no schools where systems provided moderate or limited assurance that internal controls were effective. However, recommendations have been made which, if implemented, will ensure that the systems are fit for purpose.

Information Security and Data Handling

Regarding information security and data handling, the Assistant Executive Director (Governance and Assets) is designated as the Senior Information Risk Owner, whose role provides a focal point for resolving information risk issues and investigating data security breaches. Further, the Council employs a Data Protection Officer and has established an Information Governance Team (which sits within Legal Services), who lead on training, implementation and oversight of the Council's data protection responsibilities and delivery of the Council's paperless office programme. There have been zero notifiable data breaches (where the Council had been responsible for the data breach) reported to the Information Commissioner's Office in 2023/24.

Other Risks

Alongside the increased demand for services, significant staff turnover within Children's Social Care and challenges in terms of recruitment across the social care sector have led to risks in terms of consistency and quality of practice, costs of care packages and placements, and the ability to meet demand. A Workforce Strategy is in development in order to assist in managing these risks.

More recently, an increase in the number and complexity of childcare placements and an extension to the periods of crisis, combined with fewer placements, has meant that associated costs have been driven up substantially, placing significant pressure on the Council's budgets. Work is being undertaken by the Children Service's Department Management Team, supported by the Finance and Performance Teams, to identify a suitable approach to manage this risk appropriately going forward.

In addition, since the conclusion of the period to which this Statement relates, the Council has undergone an Ofsted inspection of Children's Social Care Services, which concluded that the overall effectiveness was "inadequate". Swift and decisive action was subsequently undertaken to address the areas for improvement which Ofsted identified. This action included carrying out reviews of a number of individual cases, making fundamental changes to social work practice and teams in some areas, strengthening all levels of management oversight, implementing extensive training, and recruiting additional staff. The Council has also appointed a highly experienced Practice Improvement Partner who will provide enhanced training and support the delivery of the Council's Improvement Plan, and will help to establish new systems, processes and monitoring arrangements. Work has also been undertaken to refresh the Improvement Board and recruit an independent Chairperson.

Finally, cyber-attacks on the public and private sector have increased significantly over recent years, increasing the risk of such an attack on the Council. Additional measures have therefore been put in place to mitigate against such attacks, although with new threats emerging on a daily basis the need for vigilance remains.

5. Conclusion

The draft Statement was reviewed by senior officers within the Council prior to submission to the Governance and Audit Committee for approval. As it is the senior officers within the Council who are responsible principally for the development and maintenance of the governance environment, assurance is obtained from Executive Directors that there are satisfactory internal controls in place. They are also asked to identify any significant internal control issues which need to be reported in this Statement. The requirement to review internal controls alongside the routine monitoring of finance, performance and risk is embedded in the management of services.

Based upon the information set out in this Statement we have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance and Audit Committee, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Senior officers have reviewed the Council's compliance with the CIPFA Financial Management Code of Practice. The self-assessment continues to demonstrate that the Council is fully compliant with all elements of the Code and continues to have in place strong, effective financial management (see Appendix 5).

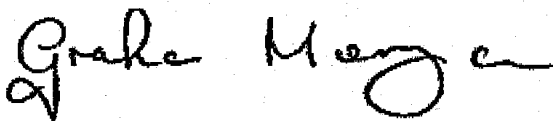
Based upon the information set out in this Statement, we can reasonably conclude that there are no unresolved significant internal control issues. We took into account the actions of the Section 151 Officer and the Monitoring Officer, the assurances obtained from Executive Directors, the work of the Counter Fraud and Internal Audit service, and various external reviews that were reported.

6. Significant Internal Control Issues

Although there are no significant internal control issues identified in this Statement, we propose to undertake the actions identified in the attached plan (see Appendix 3) over the coming year to enhance our governance arrangements further.

We are satisfied that these steps will address the need for any improvements which were identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

Signed on... 11 February 2025.....



Councillor Graham Morgan
Leader of the Council



James Duncan
Chief Executive

Knowsley Council Corporate Governance Framework

Corporate Governance comprises the culture, values, systems and processes which direct and control the way the Council works and through which it accounts to, engages with and leads its communities. The key elements of the systems and processes that comprise the Council's governance framework (as detailed in the Code of Corporate Governance) are set out below.

Assurances Required	
<ul style="list-style-type: none"> • Delivery and communication of an agreed vision and Council Plan • Stakeholder engagement • Quality services are delivered efficiently and effectively and are outcome focused • Clearly defined roles and functions • Management of risk and performance • Effectiveness of internal controls • Development of Members and officers 	<ul style="list-style-type: none"> • Compliance with laws, regulation, internal policies and procedures • Value for money and efficient management of resources • High standards of officer and Member conduct and behaviour • Public accountability • Implementation of previously agreed actions and/or recommendations
Governance Framework Providing Assurance	
<ul style="list-style-type: none"> • Knowsley Council Plan • Strategy for Knowsley • Children and Young People's Plan • Knowsley Strategic Partnership • Knowsley Health and Wellbeing Board • Section 75 governance arrangements • Annual review of the Constitution • Scheme of Delegation to Officers • Corporate Risk Management and the Risk Register • Business Continuity Plans • Health and Safety Audits • Financial Procedure Rules and Contract Procedure Rules • Service plans • Performance management framework • Internal Audit Plan • External Audit Plan 	<ul style="list-style-type: none"> • Independent external reviews • Medium Term Financial Plan • Budget Monitoring process • Anti-Fraud and Corruption Policy Statement • Codes of Conduct (officers and Members) • Members' Allowances Scheme • Governance and Audit Committee • Statutory Officers' reports • Communication Strategy • Scrutiny arrangements • Comments and complaints system • Information governance framework • Performance Review and Development (of officers) • Leadership Development (Senior Officers) • Accountability Framework • Members' training programme • Performance led budget-setting process
Assurances Received	
<ul style="list-style-type: none"> • Annual Governance Statement • Statement of Accounts • Council approval of annual budget • Management of budget pressures within approved resources • Public consultation on budget process • External Audit report • Annual performance and finance reports • Annual report on counter fraud and internal audit activity • Governance and Audit Committee annual report • Review of the implementation of internal audit recommendations • Ofsted Inspection of Children's Services (March 2017) and other external inspections of services 	<ul style="list-style-type: none"> • "Have Your Say" annual report • Annual Local Government Ombudsman report • Director of Public Health annual report • Knowsley Safeguarding Children's Board annual report • External Audit annual report on grants and returns • Ethics and standards update reports • Scrutiny annual report • Scrutiny reviews • Independent Remuneration Panel • Published records of decisions

UPDATE ON 2023/24 ACTION PLAN

Action No.	2023/24 Actions identified	Action undertaken during 2023/24	Comments
(1)	To undertake a further annual review of the Risk Register, following the implementation the new Council Plan, to be reported to the Governance and Audit Committee in 2023/24 in order to provide an update on the actions to mitigate risks and to confirm the identification of any new risks.	The Governance and Audit Committee reviewed the strategic risk register at its meeting held on 29 January 2024 (Item 5)	The review indicated that the large majority of the risks facing Knowsley are no different to those facing many (if not all) other local authorities, and the Council is managing its strategic risks as effectively as possible.
(2)	To continue to review the implementation and effectiveness of the Knowsley 2030 Strategy which focuses on reducing inequalities in Knowsley.	<p>The Knowsley Better Together Board sets the overall strategic direction for the borough through the shared long-term Knowsley 2030 Strategy. The Board is the key governing body that approves the Strategy and provides oversight to ensure its collective goals are achieved.</p> <p>Regular performance and progress reports were submitted to the Board at the following meetings:-</p> <ul style="list-style-type: none"> • 12th July 2023 (Item 7 refers) • 27th February 2024 (Item 4 refers) 	
(3)	To review and continue to develop the “Knowsley Offer” as part of “Knowsley Better Together”.	Remaining sessions on the Journey have taken place and the Journey continues to be part of the Corporate Induction for all new starters for the Council.	“Journey 2” is being developed for 24/25 to align with the new council plan.

(4)	To complete the second phase of the audit of Children and Families' paper records held at Stretton Way and implement any actions arising.	38% of the second phase of the audit of Children and Families' paper records held at Stretton Way was completed. The project has been delayed due to a reprioritisation of resources (primarily to enable the safe removal/relocation of records from the offices of the Municipal and Annex, Computer Centre and Nutgrove Villa, as part of the paper-light office initiative. As well as the initiation of a back scanning project).	2024/25 actions. To complete the second phase of the audit of Children and Families' paper records held at Stretton Way and implement any actions arising.
(5)	To resume the development and roll out of the 'Papyrus' end-to-end corporate electronic paper records management system.	Development of the Papyrus Records Management system is in the UAT phase with the planned pilot date August, live date September 2024. The first phase of the rollout will be focussing on CSC records.	2024/25 actions. To continue to data cleanse the data set that will feed the Papyrus system and continue a phased roll out
(6)	To monitor the implementation and effectiveness of the Knowsley Council Plan 2022-2025, in particular the key outcome (and associated agreed actions) in the Knowsley Council Delivery Plan 2023/24 in relation to ensuring that adults are able to access the right support in the right way and at the right time to meet their needs and achieve their goals.	Regular monitoring of performance is undertaken by Departments on a monthly basis. This includes progress and issues in relation to the delivery of the priorities included in the Knowsley Council Delivery Plan. Cabinet members are kept updated via briefings, as necessary, and quarterly performance monitoring. Progress is also reported to the Cabinet in June and November.	

(7)	<p>To develop a New Managers Programme / Bootcamp which focuses on the soft skills and competencies required by individuals who are promoted to managers for the first time or who are recruited new to management, providing a foundation programme of generic knowledge, skills and behaviours which are required when managing people.</p>	<p>A refocus on our approach to Leadership and Management development has begun. This has included a checklist for managers inducting new staff and continued promotion of the leadership and management apprenticeship opportunities.</p>	<p>There are further plans throughout 24/25 to improve this further including co-designing leadership expectations and launching a new leadership portal.</p>
(8)	<p>To review the implementation of Workforce Planning across all services to determine its effectiveness in addressing the recruitment, development and retention needs across services and the alignment of this with the opportunities provided by the Workforce Development Team to encourage internal growth and skills retention in a very competitive marketplace.</p>	<p>HR monitor and report workforce metrics on a quarterly basis against the workforce sufficiency strategy. This is used to identify challenges and emerging challenges. Significant work has been done on our recruitment approach, improving the candidate journey, redeveloping our employee branding, using different channels to reach candidates, streamlining processes and trialling innovative approaches to target hard to recruit professions such as social workers. Initiatives to improve recruitment have also been introduced, such as adding additional benefits to our employee offer.</p> <p>In addition to this, the Workforce Development team continue to work with services to increase the number of graduates and apprentices and support them whilst on programme. There are strong retention rates amongst this cohort and plans are in place to strengthen these programmes further.</p>	<p>This is an area that will require continual focus and improvement.</p> <p>In addition to this, a new approach to talent management is under development.</p>

(9)	To ensure the successful implementation of the new integrated Human Resources and Payroll system (introduced in April 2023).	The system has now been implemented and is working effectively, with all employment transactions and payroll now being processed through the system.	In 24/25 we will continue to embed the system and begin identifying opportunities to further maximise its benefits.
(10)	To continue to monitor the impact of inflation and the cost of living crisis on Council budgets and ensure that appropriate budget management and review plans are in place to address such pressures in a timely manner. In particular, to identify an appropriate course of action for managing the significant increase to childcare placement costs.	Inflation pressures continued to have a significant impact on the costs of providing essential public services during the year – with an overall cost to service budgets of £2.048m. The overall impact of inflation was funded from contingency budgets which had been set aside in the Council’s budget for this purpose.	<p>Significant pressures from child placement demand were £3.833m in total during the year. These were partly offset by the allocation of £0.570m of demand-related contingency that was no longer required within Adult Social Care, resulting in a final year-end deficit on placements of £3.263m.</p> <p>The 2024/25 budget includes significant additional contingency to address forecast pressures in the coming year.</p>

2024/25 ACTION PLAN

Action No.	2024/25 Actions identified
(1)	To continue to undertake an annual review of the Risk Register, to be reported to the Governance and Audit Committee in 2024/25 in order to provide an update on the actions to mitigate risks and to confirm the identification of any new risks.
(2)	To continue to review the implementation and effectiveness of the Knowsley 2030 Strategy which focuses on reducing inequalities in Knowsley.
(3)	To continue to monitor the impact of inflation and the cost of living crisis on Council budgets and ensure that appropriate budget management and review plans are in place to address such pressures in a timely manner.
(4)	To agree the new Council Plan and to develop and deliver "Journey 2" to align with this.
(5)	To further develop the New Managers Programme / Bootcamp including co-designing leadership expectations and launching a new leadership portal.
(6)	To continue to review the implementation of Workforce Planning across all services and to align this with the opportunities provided by the Workforce Development Team to encourage internal growth and skills retention in a very competitive marketplace. In addition, to develop for implementation a new approach to talent management.
(7)	To embed the integrated Human Resources and Payroll system (introduced in April 2023) and begin to identify opportunities to further maximise its benefits.
(8)	To complete the second phase of the audit of Children and Families' paper records held at Stretton Way and implement any actions arising.
(9)	To continue to data cleanse the data set that will feed the 'Papyrus' end-to-end corporate electronic paper records management system and continue a phased roll out.
(10)	To establish and deliver an effective Improvement Plan in respect of Children's Social Care Services.

**Definitions of Levels of Assurance when Providing the
Chief Internal Auditor's opinion**

The table below sets out the four types of annual opinion that the Chief Internal Auditor considers, along with an indication of the characteristics for each type of opinion. The Chief Internal Auditor will apply judgement when determining the appropriate opinion so the guide given below is indicative rather than definitive.

Opinion	Description	Indicators
Substantial	There is a sound system of governance, risk management and internal control in place. Internal controls are designed to achieve the system objectives and controls tested during the course of internal audit work were being consistently applied.	<ul style="list-style-type: none"> • Through internal audit work undertaken and/or other sources of assurance the arrangements for governance and risk management were deemed to be robust and consistently applied. • Few, if any individual assignment reports were rated as "Limited Assurance". • Few or no critical rated findings were identified. • A limited number of high and medium risk rated findings were identified within the audit work undertaken and management have provided assurance that action will be taken to address the risks. • Management demonstrates good progress in the implementation of previous audit actions.
Reasonable	Whilst there is an established system of governance, risk management and internal control in place, there are weaknesses, which put some of the system objectives at risk.	<ul style="list-style-type: none"> • The number of internal audit reports rated as "Limited Assurance" does not outweigh those with, "Substantial" or "High" Assurance. • Assurance over systems of control that are pervasive across the organisation (for example corporate functions) was generally positive (ie reasonable or substantial assurance opinions). • Frameworks for governance and risk management are in place and generally operating effectively. • No or few critical risk rated findings were identified in the audit work undertaken. • Any high risk rated findings were isolated to specific activities and were implemented in line with agreed timescales.

		<ul style="list-style-type: none"> • Medium risk rated findings do not indicate a systemic or pervasive weakness in governance, risk management or internal control. • Management demonstrate reasonable progress in the implementation of previous audit actions.
Moderate	<p>a) <u>Moderate by volume</u></p> <p>Internal Audit undertook a limited number of audits. The work undertaken combined with other sources of assurance considered the arrangements for governance, risk management and control over a number of key corporate risks.</p>	<ul style="list-style-type: none"> • No individual assignment reports were rated as “Limited Assurance”. • Few or no critical risk findings were identified. • Work undertaken covered a range of the key risks within the organisation. • Any major or significant risk rated findings were isolated to specific activities and were implemented in line with agreed timescales.
	<p>b) <u>Moderate by results</u></p> <p>There are gaps in the arrangements for governance and risk management and/or those arrangements have not been applied consistently and robustly through the year</p> <p>and/or</p> <p>Control environment is not effectively designed and/or the level of non-compliance with internal controls puts the systems objectives at risk.</p>	<ul style="list-style-type: none"> • The number of internal audit reports rated as “Moderate” or “Limited” assurance outweighs those rated as “Substantial” or “High” assurance. • A number of Critical and High-risk findings were identified in the audit work undertaken. • Internal Audit findings indicated that improvements were needed to the design and/or operating effectiveness of the wider frameworks of governance and/or risk management. • No more than three critical risk findings were identified and they were in relation to specific activities as opposed to indicating systemic failures and were rectified quickly. • Management do not demonstrate good performance in implementing audit actions.
Limited Assurance	<p>The arrangements for governance, risk management and internal control is generally weak, leaving the system open to significant error or abuse</p>	<ul style="list-style-type: none"> • Audit reports are generally rated as “Moderate” or “Limited” assurance. • Findings rated Critical and High outweigh those rated as Medium priority. • Audit findings indicate systemic non-

	<p>and/or</p> <p>Significant non-compliance with basic controls leaves the system open to error or abuse.</p>	<p>adherence to control procedures, indicating a poor control environment.</p> <ul style="list-style-type: none">• Frameworks for governance and risk management are not in place.• Audit actions are consistently not implemented in line with agreed timescales.
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