



**WATFORD
BOROUGH
COUNCIL**

AUDIT COMMITTEE

25 May 2023

7.00 pm

Annexe, Town Hall, Watford

Contact

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Publication date: 17 May 2023

Committee Membership

Councillor M Hofman (Chair)
Councillor K Clark-Taylor
Councillors L Nembhard, A Khan and C Newstead

Membership to be confirmed at annual council 23 May 2023

Agenda

Part A - Open to the Public

1. Apologies for Absence/Committee Membership

2. Disclosure of Interests (if any)

3. Minutes

The [minutes](#) of the meeting held on 9 March 2023 to be submitted and signed.

4. Freedom of Information Act Requests October 2022 to March 2023 (Pages 3 - 17)

5. Internal Audit Annual Report and Annual Assurance Statement 2022/23 (Pages 18 - 43)

6. Statement of Accounts and Annual Governance Statement 2022/23 (Pages 44 - 77)

7. Statement of Accounts 2020/21 and 2021/22 update

Oral update to committee

8. External Auditor Update

Part A

Report to: Audit Committee

Date of meeting: Thursday, 25 May 2023

Report author: Group Head of Democracy and Governance

Title: Freedom of Information Act Requests October 2022 to March 2023

1.0 Summary

1.1 This is the half yearly report of Freedom of Information Act requests received between 1 October 2022 and 31 March 2023.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Requests are not regularly responded to	Complaints by requesters and investigation and potential sanction by the Information Commissioner	CLOs diarise end response times and chase responders	treat	4

3.0 Recommendations

3.1 That the report be noted.

Further information:

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4.0 Detailed proposal

4.1 Since January 2005 when the Freedom of Information Act 2000 came fully into force the council has been obliged to respond to requests for information. These requests should be responded to within 20 working days of receipt. The Act, and public

bodies' compliance with it, is overseen by the Information Commissioner who can investigate complaints and can compel the disclosure of information as well as impose fines for failure to meet deadlines.

4.2 This committee receives half yearly reports on the council's performance in replying to such requests as well as Environmental Information Regulation (EIR) requests.

4.3 For the period 1 October 2022 to 31 March 2023 the council received 275 Freedom of Information Act requests and 0 EIR requests. This was 30 more than the previous half year. Of those 275 only 9 were not replied to within 20 working days. There were 0 that were not replied to at all. This a significant improvement on the last half year when 54 were not replied to within the time. This can be attributed to all requests now being logged into firmstep and able to be viewed on the Qlik system and being able to be easily monitored by managers. Details of the requests are shown in appendix 1.

5.0 **Implications**

5.1 **Financial**

5.1.1 The Shared Director of Finance comments that there are no financial implications. Services requests are dealt with from existing resources.

5.2 **Legal Issues** (Monitoring Officer)

5.2.1 The Group Head of Democracy and Governance comments that there are no legal implications.

5.3 **Equalities, Human Rights and Data Protection**

5.3.1 Information is redacted if it contains personal information.

5.4 **Staffing**

5.4.1 Replies are dealt with within services. The customer service centre managers oversee the process via the firmstep platform.

5.5 **Accommodation**

5.5.1 N/A

5.6 **Community Safety/Crime and Disorder**

5.6.1 N/A

5.7 **Sustainability**

5.7.1 N/A

Appendices

- FOI Requests October 2022 to March 2023

Background papers

No papers were used in the preparation of this report.

FOI Response Team	Firmstep Forms Reference	FOI Reason For Request	FOI Date Received	FOI Due Date	FOI Date Responded	Completed On Time	FOI Information Sent
Multiple FOI	FOI-460875769	FOI Request Multiple Services	25/10/2022	21/11/2022	30/11/2022	N	yes
Benefits FOI	FOI-457214588	Discretionary housing payments	07/10/2022	07/11/2022	03/11/2022	Y	yes
Benefits FOI	FOI-457974846	Eligible Core Rent/Exempt Accommodation	11/10/2022	04/11/2022	18/10/2022	Y	yes
Benefits FOI	FOI-470156138	RFI	06/12/2022	04/01/2023	14/12/2022	Y	yes
Benefits FOI	FOI-485569572	Freedom of Information Request - Exempt Housing Benefit	09/02/2023	09/03/2023	09/03/2023	Y	yes
Community Protection FOI	FOI-456784162	Natasha's Law	06/10/2022	02/11/2022	13/10/2022	Y	yes
Community Protection FOI	FOI-461223949	Local Authority Joint Strategic Needs Assessment	26/10/2022	17/11/2022	04/11/2022	Y	yes
Community Protection FOI	FOI-463840091	Motor Vehicles registered for public hire	07/11/2022	06/12/2022	08/11/2022	Y	yes
Community Protection FOI	FOI-464868822	Street Trading Licences	11/11/2022	06/12/2022	05/12/2022	Y	yes
Community Protection FOI	FOI-464873305	HMO register with UPRN	11/11/2022	09/12/2022	08/12/2022	Y	yes
Community Protection FOI	FOI-465471942	Fine for Fly-tipping	15/11/2022	12/12/2022	09/12/2022	Y	yes
Community Protection FOI	FOI-468331351	Community Trigger information	28/11/2022	26/12/2022	08/12/2022	Y	yes
Community Protection FOI	FOI-468780600	Licensing	30/11/2022	28/12/2022	14/12/2022	Y	yes
Community Protection FOI	FOI-469850075	Antisocial Behaviour Incidents	05/12/2022	27/12/2022	23/12/2022	Y	yes
Community Protection FOI	FOI-472001873	HMO Licence Application	15/12/2022	12/01/2023	12/01/2023	Y	yes
Community Protection FOI	FOI-472734486	Yodal alarm volume complaints across the UK	19/12/2022	16/01/2023	16/01/2023	Y	yes
Community Protection FOI	FOI-473479338	Mosquito nuisance biting questionnaire	22/12/2022	19/01/2023	13/01/2023	Y	yes
Community Protection FOI	FOI-476083831	Cavity Wall Insulation installation	04/01/2023	02/02/2023	06/01/2023	Y	yes
Community Protection FOI	FOI-476633749	Dangerous Wild Animals	06/01/2023	02/02/2023	13/01/2023	Y	yes
Community Protection FOI	FOI-476641791	Food Safety Report	06/01/2023	31/01/2023	18/01/2023	Y	yes
Community Protection FOI	FOI-479057506	Lobbying for Climate Action & Funding	17/01/2023	14/02/2023	10/02/2023	Y	yes
Community Protection FOI	FOI-479058934	Council Staff Working on Climate Action	17/01/2023	13/02/2023	13/02/2023	Y	yes
Community Protection FOI	FOI-479059738	High Carbon Infrastructure Planning	17/01/2023	13/02/2023	19/01/2023	Y	yes
Community Protection FOI	FOI-479060444	Carbon Literacy Training for Senior Councillors and Staff	17/01/2023	13/02/2023	09/02/2023	Y	yes
Community Protection FOI	FOI-479061322	Council House EPC Ratings & MEES	17/01/2023	13/02/2023	10/02/2023	Y	yes

Community Protection FOI	FOI-479176656	HMO Information	17/01/2023	14/02/2023	14/02/2023	Y	yes
Community Protection FOI	FOI-479430359	Environmental Enforcement Fixed Penalty Notices	18/01/2023	15/02/2023	13/02/2023	Y	yes
Community Protection FOI	FOI-479513045	Public Health Funerals	18/01/2023	03/02/2023	18/01/2023	Y	yes
Community Protection FOI	FOI-480760756	Newly Opened Food Restaurants 01/06/22-31/12/22	24/01/2023	21/02/2023	21/02/2023	Y	yes
Community Protection FOI	FOI-481202423	HFSS compliance visits	25/01/2023	17/02/2023	14/02/2023	Y	yes
Community Protection FOI	FOI-481214831	CPNs and PSPOs	25/01/2023	21/02/2023	20/02/2023	Y	yes
Community Protection FOI	FOI-481217979	Equine welfare FOI request	25/01/2023	21/02/2023	14/02/2023	Y	yes
Community Protection FOI	FOI-481603433	FOI Begging	27/01/2023	22/02/2023	01/02/2023	Y	yes
Community Protection FOI	FOI-482591479	Contaminated land request	31/01/2023	28/02/2023	07/02/2023	Y	yes
Community Protection FOI	FOI-482829875	Vehicles registered as a Taxi, Hackney Carriage or for Private Hire	01/02/2023	02/03/2023	08/02/2023	Y	yes
Community Protection FOI	FOI-484047204	Hackney Cabs & Private Hire	05/02/2023	06/03/2023	03/03/2023	Y	yes
Community Protection FOI	FOI-484326105	Environmental Search request	06/02/2023	06/03/2023	07/02/2023	Y	yes
Community Protection FOI	FOI-484458313	Pest Control History	06/02/2023	02/03/2023	23/02/2023	Y	yes
Community Protection FOI	FOI-484461071	Motor Vehicles Registered for Public Hire	06/02/2023	03/03/2023	03/03/2023	Y	yes
Community Protection FOI	FOI-484641347	the full response concerning the private rented sector	07/02/2023	07/03/2023	06/03/2023	Y	yes
Community Protection FOI	FOI-485222922	Pest Control	08/02/2023	09/03/2023	20/02/2023	Y	yes
Community Protection FOI	FOI-485225699	Cost of Disposal of Illegal Vapes	08/02/2023	09/03/2023	17/02/2023	Y	yes
Community Protection FOI	FOI-485235330	Dog home boarding/Dog Day Care licenses	08/02/2023	08/03/2023	08/03/2023	Y	yes
Community Protection FOI	FOI-485823024	FOI request regarding Licenced HMO's and associated detail	10/02/2023	08/03/2023	17/02/2023	Y	yes
Community Protection FOI	FOI-485974029	Popular Front for the Liberation of Palestine/PFLP	10/02/2023	10/03/2023	06/03/2023	Y	yes
Community Protection FOI	FOI-487729808	Food Hygiene report request	16/02/2023	15/03/2023	15/03/2023	Y	yes
Community Protection FOI	FOI-489411267	Battersea Dogs and Cats Home	21/02/2023	21/03/2023	21/03/2023	Y	yes
Community Protection FOI	FOI-489415176	DPA Exemption Request	21/02/2023	16/03/2023	24/02/2023	Y	yes
Community Protection FOI	FOI-490048908	Environmental Information Request	23/02/2023	23/03/2023	02/03/2023	Y	yes
Community Protection FOI	FOI-490165962	FOI request animal euthanasia	23/02/2023	23/03/2023	23/03/2023	Y	yes
Community Protection FOI	FOI-490215925	Information request (MKCC ref V038609)	23/02/2023	17/03/2023	17/03/2023	Y	yes
Community Protection FOI	FOI-490233872	Food Hygiene Report	23/02/2023	23/03/2023	17/03/2023	Y	yes

Community Protection FOI	FOI-492759158	Dogs	02/03/2023	30/03/2023	29/03/2023	Y	yes
Community Protection FOI	FOI-492762428	Climate Emergency Carbon Reduction	02/03/2023	30/03/2023	17/03/2023	Y	yes
Community Protection FOI	FOI-496763503	FOI request - child safeguarding reviews	14/03/2023	10/04/2023	17/03/2023	Y	yes
Community Protection FOI	FOI-497506496	Food hygiene report	16/03/2023	13/04/2023	12/04/2023	Y	yes
Community Protection FOI	FOI-497757175	Collection of stray dogs	16/03/2023	14/04/2023	31/03/2023	Y	yes
Community Protection FOI	FOI-500250046	Environmental assessment	23/03/2023	20/04/2023	20/04/2023	Y	yes
Community Protection FOI	FOI-502043358	PSPO's	28/03/2023	24/04/2023	14/04/2023	Y	yes
Community Protection FOI	FOI-502207833	Bird feeding FPNs	28/03/2023	25/04/2023	25/04/2023	Y	yes
Community Protection FOI	FOI-502579969	Procurement of Taxis	29/03/2023	26/04/2023	19/04/2023	Y	yes
Community Protection FOI	FOI-502985799	Watford Hospital	30/03/2023	27/04/2023	25/04/2023	Y	yes
Corporate Strategy and Communications FOI	FOI-484605661	Money spent on net zero/carbon emission reduction advertising campaigns	07/02/2023	06/03/2023	10/03/2023	N	yes
Corporate Strategy and Communications FOI	FOI-484633963	External contractors for public relations	07/02/2023	07/03/2023	09/05/2023	N	yes
Corporate Strategy and Communications FOI	FOI-459791979	FOI Christmas Lights	19/10/2022	16/11/2022	16/11/2022	Y	yes
Corporate Strategy and Communications FOI	FOI-462335109	Language Guides	01/11/2022	28/11/2022	28/11/2022	Y	yes
Corporate Strategy and Communications FOI	FOI-466002819	Contract Register	17/11/2022	02/12/2022	17/11/2022	Y	yes
Corporate Strategy and Communications FOI	FOI-466817415	Social Listening and Media Monitoring	21/11/2022	19/12/2022	16/12/2022	Y	yes
Corporate Strategy and Communications FOI	FOI-473659335	Communications	23/12/2022	20/01/2023	03/01/2023	Y	yes
Corporate Strategy and Communications FOI	FOI-479062492	Contested History in Council Areas	17/01/2023	09/02/2023	09/02/2023	Y	yes
Corporate Strategy and Communications FOI	FOI-481084681	Levelling-Up Bids	25/01/2023	23/02/2023	17/02/2023	Y	yes
Corporate Strategy and Communications FOI	FOI-481201798	Funds for the Levelling-Up Scheme	25/01/2023	23/02/2023	17/02/2023	Y	yes
Corporate Strategy and Communications FOI	FOI-499540610	Islamophobia and antisemitism	21/03/2023	19/04/2023	29/03/2023	Y	yes

Culture and Events FOI	FOI-494411060	Funds allocated for HM King Charles III coronation.	07/03/2023	04/04/2023	13/03/2023	Y	yes
Customer Service FOI	FOI-459369674	What software, if any, the council uses to process information requests (incl. EIR, FOI requests, DSARs, and Member Enquiries), and how much does this software cost the council annually?	18/10/2022	15/11/2022	24/10/2022	Y	yes
Customer Service FOI	FOI-459685399	Freedom of Information System	19/10/2022	15/11/2022	19/10/2022	Y	yes
Customer Service FOI	FOI-461097486	Fleet/Transport Manager	26/10/2022	23/11/2022	28/10/2022	Y	yes
Customer Service FOI	FOI-479478827	Police enquiry	18/01/2023	25/01/2023	25/01/2023	Y	yes
Customer Service FOI	FOI-482365694	FOI - training	30/01/2023	27/02/2023	09/02/2023	Y	yes
Customer Service FOI	FOI-482672249	Under the Freedom of Information Act - Request Of Copies	31/01/2023	28/02/2023	02/02/2023	Y	yes
Customer Service FOI	FOI-483288898	Performance statistics and handling for the calendar year 2022	02/02/2023	02/03/2023	02/03/2023	Y	yes
Customer Service FOI	FOI-485226814	Relevant Contact Details of Officers	08/02/2023	08/03/2023	17/02/2023	Y	yes
Customer Service FOI	FOI-491868467	Complaints	28/02/2023	25/04/2023	10/03/2023	Y	yes
Customer Service FOI	FOI-503307301	Trading companies/ arms-length organisations (LATCs/ AMLOs)	31/03/2023	28/04/2023	11/04/2023	Y	yes
Democracy and	FOI-497230074	Election Act 2022 Voter ID	15/03/2023	12/04/2023	24/04/2023	N	yes
Democracy and	FOI-459674350	Information on site address in Watford	19/10/2022	11/11/2022	11/11/2022	Y	yes
Democracy and	FOI-461643229	Compulsory Purchase Order	28/10/2022	25/11/2022	31/10/2022	Y	yes
Democracy and	FOI-464872312	GDPR compliance	11/11/2022	09/12/2022	09/12/2022	Y	yes
Democracy and	FOI-470623442	Planning and Licensing Training	08/12/2022	05/01/2023	05/01/2023	Y	yes
Democracy and	FOI-479681227	Compulsory Purchase Order	19/01/2023	16/02/2023	02/02/2023	Y	yes
Democracy and	FOI-481784687	Data Protection Impact Assessments	27/01/2023	24/02/2023	23/02/2023	Y	yes
Democracy and	FOI-484459312	Travel Expenses	06/02/2023	03/03/2023	02/03/2023	Y	yes
Democracy and	FOI-485974708	Legal costs on a site in Watford	10/02/2023	10/03/2023	15/02/2023	Y	yes
Democracy and Governance FOI	FOI-487728237	Freedom of Information request - Film Studio Watford	16/02/2023	17/03/2023	21/02/2023	Y	yes
Democracy and	FOI-488946211	Members' Allowances	20/02/2023	20/03/2023	21/02/2023	Y	yes
Democracy and	FOI-489322052	Members' Allowances	21/02/2023	17/03/2023	21/02/2023	Y	yes
Democracy and	FOI-490195348	Voter ID preparedness	23/02/2023	23/03/2023	10/03/2023	Y	yes

Democracy and	FOI-493148039	FOI Request	03/03/2023	31/03/2023	10/03/2023	Y	yes
Democracy and	FOI-497690587	Clr expenses	16/03/2023	13/04/2023	21/03/2023	Y	yes
Democracy and Governance FOI	FOI-503315858	Potential impact of voter ID in the upcoming May election	31/03/2023	28/04/2023	28/04/2023	Y	yes
Development Management and Building Control FOI	FOI-459667745	Planning Obligations - S.106 Financial contributions	19/10/2022	09/11/2022	09/11/2022	Y	yes
Development Management and Building Control FOI	FOI-462753634	Authority Monitoring Report	02/11/2022	30/11/2022	29/11/2022	Y	yes
Development Management and Building Control FOI	FOI-464381009	Planning Applications	09/11/2022	07/12/2022	22/11/2022	Y	yes
Development Management and Building Control FOI	FOI-464870392	Settlement Boundaries	11/11/2022	09/12/2022	21/11/2022	Y	yes
Development Management and Building Control FOI	FOI-465475930	List of Properties with C4 Planning Consent	15/11/2022	12/12/2022	09/12/2022	Y	yes
Development Management and Building Control FOI	FOI-466882326	Reply to CON29 3.8	21/11/2022	19/12/2022	24/11/2022	Y	yes
Development Management and Building Control FOI	FOI-466887633	CON29 3.8 Building Regulation Contraventions	21/11/2022	20/12/2022	25/11/2022	Y	yes
Development Management and Building Control FOI	FOI-467030959	Assets of Community Value Register	22/11/2022	20/12/2022	24/11/2022	Y	yes
Development Management and Building Control FOI	FOI-468353970	Request for Financial Information Under Freedom of Information Act 2000	28/11/2022	27/12/2022	23/12/2022	Y	yes
Development Management and Building Control FOI	FOI-468360338	Request for Correspondence Under FOI Act 2000	28/11/2022	27/12/2022	23/12/2022	Y	yes
Development Management and Building Control FOI	FOI-468388065	Request for Information Under FOI Act 2000	28/11/2022	27/12/2022	23/12/2022	Y	yes
Development Management and Building Control FOI	FOI-468388457	Request for Information under FOI Act 2000	28/11/2022	27/12/2022	23/12/2022	Y	yes
Development Management and Building Control FOI	FOI-475434330	Premises- Planning information on Property in Watford Net Lettable Area Evidence	03/01/2023	31/01/2023	27/01/2023	Y	yes
Development Management and Building Control FOI	FOI-475435072	Missing Officer Report - Planning Application	03/01/2023	31/01/2023	16/01/2023	Y	yes

Development Management and Building Control FOI	FOI-475734717	Planning Department Staffing Levels	03/01/2023	01/02/2023	27/01/2023	Y	yes
Development Management and Building Control FOI	FOI-481203894	Planning Department	25/01/2023	20/02/2023	15/02/2023	Y	yes
Development Management and Building Control FOI	FOI-485973428	Local Authority Electricity Generation Assets	10/02/2023	10/03/2023	10/03/2023	Y	yes
Development Management and Building Control FOI	FOI-485994828	Planning applications	10/02/2023	13/03/2023	17/02/2023	Y	yes
Development Management and Building Control FOI	FOI-486096289	SELF BUILD SITES IN THE LAST 10-YEARS PROVIDED BY WATFORD COUNCIL	11/02/2023	13/03/2023	15/02/2023	Y	yes
Development Management and Building Control FOI	FOI-489415789	Nationally Described Space Standards	21/02/2023	20/03/2023	10/03/2023	Y	yes
Development Management and Building Control FOI	FOI-491764770	Planning Requirements for Short Term Holiday Lets/Airbnb	28/02/2023	24/04/2023	10/03/2023	Y	yes
Development Management and Building Control FOI	FOI-503397009	FOI Request to Building Control for all documentation (including inspection reports)	31/03/2023	28/04/2023	12/04/2023	Y	yes
Finance FOI	FOI-481220030	Information on contract between Veolia and Watford Borough Council	25/01/2023	22/02/2023	17/03/2023	N	yes
Finance FOI	FOI-465468494	Energy Supply Procurement & Costs	15/11/2022	12/12/2022	18/11/2022	Y	yes
Finance FOI	FOI-490169047	FOI Request - Provisional Local Government Finance Settlement 2023/24	23/02/2023	22/03/2023	21/03/2023	Y	yes
Finance FOI	FOI-500864584	Payment of Local Authority Invoices	24/03/2023	24/04/2023	19/04/2023	Y	yes
Housing FOI	FOI-481223114	Housing Register	25/01/2023	22/02/2023	28/03/2023	N	yes
Housing FOI	FOI-456340573	Homelessness outcomes	04/10/2022	01/11/2022	26/10/2022	Y	yes
Housing FOI	FOI-456680140	Overcrowding in council properties	05/10/2022	03/11/2022	27/10/2022	Y	yes
Housing FOI	FOI-458239627	Department for Work and Pensions	12/10/2022	08/11/2022	13/10/2022	Y	yes
Housing FOI	FOI-459110610	Home Office to provide housing or accommodation	17/10/2022	14/11/2022	02/11/2022	Y	yes
Housing FOI	FOI-459922997	temporary accomodation	20/10/2022	17/11/2022	17/11/2022	Y	yes
Housing FOI	FOI-460925445	Temporary Accommodation in Watford (borough)	25/10/2022	22/11/2022	22/11/2022	Y	yes
Housing FOI	FOI-461205909	Temporary Accommodation Bookings	26/10/2022	22/11/2022	26/10/2022	Y	yes
Housing FOI	FOI-461254684	Rent Deposit Schemes	26/10/2022	24/11/2022	17/11/2022	Y	yes

Housing FOI	FOI-465469575	Revenues & Benefits	15/11/2022	12/12/2022	07/12/2022	Y	yes
Housing FOI	FOI-466810389	Homelessness Amongst 18-24 year olds	21/11/2022	19/12/2022	16/12/2022	Y	yes
Housing FOI	FOI-466812430	Teens	21/11/2022	19/12/2022	14/12/2022	Y	yes
Housing FOI	FOI-466814719	Social Housing, Construction related Dissertation Questionnaire	21/11/2022	19/12/2022	21/11/2022	Y	yes
Housing FOI	FOI-467417109	Media News FOI - Asylum seekers/hotels	23/11/2022	21/12/2022	28/11/2022	Y	yes
Housing FOI	FOI-467883420	Homeless Evictions	25/11/2022	21/12/2022	21/12/2022	Y	yes
Housing FOI	FOI-470029563	Local Authority Homeless Data	06/12/2022	03/01/2023	20/12/2022	Y	yes
Housing FOI	FOI-470115233	Ukrainian Refugee	06/12/2022	03/01/2023	09/12/2022	Y	yes
Housing FOI	FOI-472732248	Data Request For Homelessness	19/12/2022	16/01/2023	06/01/2023	Y	yes
Housing FOI	FOI-476523442	Homeless deaths 2022	06/01/2023	31/01/2023	27/01/2023	Y	yes
Housing FOI	FOI-481207601	Ukraine homelessness in UK	25/01/2023	21/02/2023	17/02/2023	Y	yes
Housing FOI	FOI-481605098	Evictions from local authority housing	27/01/2023	22/02/2023	02/02/2023	Y	yes
Housing FOI	FOI-485023613	Damage compensation	08/02/2023	03/03/2023	10/02/2023	Y	yes
Housing FOI	FOI-489410263	Ukraine War	21/02/2023	21/03/2023	21/03/2023	Y	yes
Housing FOI	FOI-490219791	FOI Request for awaiting asylum - Contingency accommodation in district	23/02/2023	23/03/2023	13/03/2023	Y	yes
Housing FOI	FOI-492765763	Resettlement of Newcomers	02/03/2023	29/03/2023	10/03/2023	Y	yes
Housing FOI	FOI-493135469	Housing Query	03/03/2023	31/03/2023	31/03/2023	Y	yes
Housing FOI	FOI-498145944	Re; Freedom of Information (FOI) Request Domestic Violence Funding	17/03/2023	14/04/2023	21/03/2023	Y	yes
Housing FOI	FOI-501745414	FOI Request - asylum seekers	27/03/2023	25/04/2023	29/03/2023	Y	yes
Housing FOI	FOI-503087402	Asylum Seekers Accommodation	30/03/2023	27/04/2023	30/03/2023	Y	yes
Human Resources FOI	FOI-500828697	Relocation Costs	24/03/2023	20/04/2023	21/04/2023	N	yes
Human Resources FOI	FOI-464871086	Endred Staff Reward Scheme	11/11/2022	06/12/2022	05/12/2022	Y	yes
Human Resources FOI	FOI-466800973	Pay & Grading	21/11/2022	16/12/2022	09/12/2022	Y	yes
Human Resources FOI	FOI-470246340	Equality, Diversity and Inclusion - Workforce Allyship Initiatives	07/12/2022	04/01/2023	07/12/2022	Y	yes
Human Resources FOI	FOI-472728877	Home workers	19/12/2022	16/01/2023	06/01/2023	Y	yes
Human Resources FOI	FOI-473660948	Equality, Diversity and Inclusion Training	23/12/2022	20/01/2023	20/01/2023	Y	yes
Human Resources FOI	FOI-476610199	CEO salaries	06/01/2023	31/01/2023	13/01/2023	Y	yes
Human Resources FOI	FOI-476615306	Ethnicity of council employees	06/01/2023	31/01/2023	20/01/2023	Y	yes
Human Resources FOI	FOI-483578233	Council Spending	03/02/2023	03/03/2023	16/02/2023	Y	yes

Human Resources FOI	FOI-484461859	Working from Home	06/02/2023	03/03/2023	23/02/2023	Y	yes
Human Resources FOI	FOI-484462835	Union Funding	06/02/2023	03/03/2023	23/02/2023	Y	yes
Human Resources FOI	FOI-484463728	Strikes by Council Workers	06/02/2023	06/03/2023	03/03/2023	Y	yes
Human Resources FOI	FOI-485073829	Zero hours contracts	08/02/2023	08/03/2023	23/02/2023	Y	yes
Human Resources FOI	FOI-487720385	FOI request refers to the Health and Safety Executive (HSE) definition of violence at work	16/02/2023	15/03/2023	15/03/2023	Y	yes
Human Resources FOI	FOI-489408460	Temporary Agency Usage	21/02/2023	22/03/2023	10/03/2023	Y	yes
Human Resources FOI	FOI-490209628	Bonuses and Redundancies	23/02/2023	21/03/2023	03/03/2023	Y	yes
Human Resources FOI	FOI-497695796	Focus Group Request	16/03/2023	11/04/2023	05/04/2023	Y	yes
ICT FOI	FOI-456400676	IT Projects/Digital Transformation	04/10/2022	02/11/2022	31/10/2022	Y	yes
ICT FOI	FOI-458242834	ICT Data Centre	12/10/2022	09/11/2022	19/10/2022	Y	yes
ICT FOI	FOI-459062629	Management of large files (such as photos and video)	17/10/2022	14/11/2022	09/11/2022	Y	yes
ICT FOI	FOI-464374391	Senior ICT Staff Information	09/11/2022	07/12/2022	29/11/2022	Y	yes
ICT FOI	FOI-467743606	Contact Centre	25/11/2022	23/12/2022	30/11/2022	Y	yes
ICT FOI	FOI-481778062	SECURITY / CYBER SECURITY Insurance	27/01/2023	24/02/2023	13/02/2023	Y	yes
ICT FOI	FOI-485223921	Back Office Applications	08/02/2023	09/03/2023	09/03/2023	Y	yes
ICT FOI	FOI-489701820	I am writing in respect of your finance solution. Could you kindly help me out with the below information?	22/02/2023	22/03/2023	22/03/2023	Y	yes
ICT FOI	FOI-491508185	Cost of cyber attacks	27/02/2023	28/03/2023	17/03/2023	Y	yes
ICT FOI	FOI-491758320	FOI Request: Public Sector - Data & Storage study	28/02/2023	28/03/2023	28/03/2023	Y	yes
ICT FOI	FOI-492760342	ICT Documents 2023 Onward	02/03/2023	30/03/2023	29/03/2023	Y	yes
ICT FOI	FOI-497700933	Request to Watford Borough Council under the Freedom of Information Act.	16/03/2023	13/04/2023	20/03/2023	Y	yes
Leisure FOI	FOI-488168666	Direct Market Engagement - Watford Colloseum	17/02/2023	20/03/2023	16/03/2023	Y	yes
Leisure FOI	FOI-499698869	Swimming Pool Information	22/03/2023	14/04/2023	14/04/2023	Y	yes
Multiple FOI	FOI-459404726	Outstanding Notices	18/10/2022	15/11/2022	31/10/2022	Y	yes
Multiple FOI	FOI-459788730	Environmental Information Request	19/10/2022	15/11/2022	31/10/2022	Y	yes
Multiple FOI	FOI-461220166	Energy Costs	26/10/2022	23/11/2022	31/10/2022	Y	yes

Multiple FOI	FOI-465476708	Head of departments	15/11/2022	12/12/2022	24/11/2022	Y	yes
Multiple FOI	FOI-465864959	Query regarding security services and training provider frameworks & skills budget	16/11/2022	14/12/2022	29/11/2022	Y	yes
Multiple FOI	FOI-467403128	Empty Properties	23/11/2022	21/12/2022	20/12/2022	Y	yes
Multiple FOI	FOI-467775975	OUTSTANDING NOTICES REQUEST	25/11/2022	23/12/2022	08/12/2022	Y	yes
Multiple FOI	FOI-479160649	Government request for information under the Freedom of Information Act 2000	17/01/2023	15/02/2023	15/02/2023	Y	yes
Multiple FOI	FOI-485028959	Council Employee Meetings with outside groups	08/02/2023	08/03/2023	21/02/2023	Y	yes
Multiple FOI	FOI-492849283	Freedom of Information Request for Watford Borough Council	02/03/2023	31/03/2023	29/03/2023	Y	yes
Multiple FOI	FOI-496445649	Print in Councils	13/03/2023	05/04/2023	29/03/2023	Y	yes
Multiple FOI	FOI-496480855	FOI Request from Mr Frost	13/03/2023	06/04/2023	04/04/2023	Y	yes
Multiple FOI	FOI-502017685	PCN's Issued	28/03/2023	24/04/2023	24/04/2023	Y	yes
Multiple FOI	FOI-502983508	questionnaire on empty homes and affordable housing	30/03/2023	27/04/2023	26/04/2023	Y	yes
Multiple FOI	FOI-503480990	Sign Language Request	31/03/2023	28/04/2023	03/04/2023	Y	yes
Other organisation FOI	FOI-492764112	Funding	02/03/2023	29/03/2023	05/04/2023	N	yes
Other organisation FOI	FOI-455773403	Council Run Waste Transfer Site History	02/10/2022	31/10/2022	03/10/2022	Y	yes
Other organisation FOI	FOI-458241205	UASC Local Authorities	12/10/2022	09/11/2022	12/10/2022	Y	yes
Other organisation FOI	FOI-466816160	Mould in Council Properties	21/11/2022	16/12/2022	21/11/2022	Y	yes
Other organisation FOI	FOI-468223988	Childcare Provider Invoices	28/11/2022	26/12/2022	30/11/2022	Y	yes
Other organisation FOI	FOI-469476778	Road Maintenance policy and repairs carried out	03/12/2022	02/01/2023	07/12/2022	Y	yes
Other organisation FOI	FOI-469481550	Highway fault reference number:	03/12/2022	02/01/2023	07/12/2022	Y	yes
Other organisation FOI	FOI-470730881	Adults with learning difficulties, mental health disorders and complex needs	09/12/2022	06/01/2023	16/12/2022	Y	yes
Other organisation FOI	FOI-470801330	Children's Social Work	09/12/2022	06/01/2023	09/12/2022	Y	yes
Other organisation FOI	FOI-479361018	S278/ S38 Timescales & Highway Bond Provision	18/01/2023	15/02/2023	24/01/2023	Y	yes
Other organisation FOI	FOI-480735039	Watford FOI	24/01/2023	21/02/2023	27/01/2023	Y	yes
Other organisation FOI	FOI-483251492	potholes	02/02/2023	02/03/2023	07/02/2023	Y	yes

Other organisation FOI	FOI-483334903	Highest hourly rate a provider of supported living charges	02/02/2023	02/03/2023	07/02/2023	Y	yes
Other organisation FOI	FOI-487447913	Request for information under the freedom of information Act 2000	15/02/2023	15/03/2023	20/02/2023	Y	yes
Other organisation FOI	FOI-487879100	FOI - Care Home Buildings Usage	16/02/2023	16/03/2023	20/02/2023	Y	yes
Other organisation FOI	FOI-490408564	Street Works Noticing	24/02/2023	24/03/2023	02/03/2023	Y	yes
Other organisation FOI	FOI-496258511	Unaccompanied Asylum Seeking Children (UASC)	13/03/2023	04/04/2023	13/03/2023	Y	yes
Other organisation FOI	FOI-500164910	Smoking and Vaping	23/03/2023	20/04/2023	24/03/2023	Y	yes
Other organisation FOI	FOI-500347498	Freedom Of Information Request	23/03/2023	20/04/2023	27/03/2023	Y	yes
Parking Service FOI	FOI-456782062	Parking Charge Notices	06/10/2022	01/11/2022	31/10/2022	Y	yes
Parking Service FOI	FOI-458242009	Penalty Charge Notices	12/10/2022	09/11/2022	02/11/2022	Y	yes
Parking Service FOI	FOI-478860791	how many parking permit zones/areas do you have in your council area for 2023	16/01/2023	13/02/2023	09/02/2023	Y	yes
Parking Service FOI	FOI-481600603	The number of Penalty Charge Notices (PCNs) issued for parking violations in 2022	27/01/2023	22/02/2023	17/02/2023	Y	yes
Parking Service FOI	FOI-481776357	Disabled Bay Parking Fines	27/01/2023	24/02/2023	17/02/2023	Y	yes
Parking Service FOI	FOI-495933402	Watford General Hospital Ambulance Road	11/03/2023	10/04/2023	29/03/2023	Y	yes
Parks and Open spaces FOI	FOI-479819777	Bin Removal	19/01/2023	16/02/2023	20/02/2023	N	yes
Parks and Open spaces FOI	FOI-485026347	Catering Concessions in Cassiobury Park	08/02/2023	08/03/2023	16/03/2023	N	yes
Parks and Open spaces FOI	FOI-458004907	Burials in wrong location	11/10/2022	09/11/2022	13/10/2022	Y	yes
Parks and Open spaces FOI	FOI-466171546	Play Parks	17/11/2022	14/12/2022	14/12/2022	Y	yes
Parks and Open spaces FOI	FOI-467169134	Re Felling of trees in Garston	22/11/2022	21/12/2022	19/12/2022	Y	yes
Parks and Open spaces FOI	FOI-468882099	Cemeteries and Crematoria	30/11/2022	28/12/2022	09/12/2022	Y	yes
Parks and Open spaces FOI	FOI-476593961	Tree Inspection Reports	06/01/2023	03/02/2023	18/01/2023	Y	yes
Parks and Open spaces FOI	FOI-477210201	Tea Pavillion - Cassiobury Park	09/01/2023	06/02/2023	25/01/2023	Y	yes
Parks and Open spaces FOI	FOI-483835016	Tender for cha cafe Cassiobury	04/02/2023	06/03/2023	10/02/2023	Y	-
Parks and Open spaces FOI	FOI-485031355	Numbers of trees cut down	08/02/2023	08/03/2023	08/03/2023	Y	yes
Parks and Open spaces FOI	FOI-489416475	Tea Pavilion Tender Scores, Cassiobury Park	21/02/2023	20/03/2023	17/03/2023	Y	yes
Parks and Open spaces FOI	FOI-492751495	Cassiobury Park	02/03/2023	30/03/2023	10/03/2023	Y	yes
Parks and Open spaces FOI	FOI-497757932	Grounds/Trees/Playgrounds Maintenance and Management Software	16/03/2023	11/04/2023	05/04/2023	Y	yes
Parks and Open spaces FOI	FOI-503049587	PAUPER FUNERALS	30/03/2023	27/04/2023	06/04/2023	Y	yes

Revenues FOI	FOI-496530642	Empty Properties	13/03/2023	10/04/2023	14/04/2023	N	yes
Revenues FOI	FOI-464600177	Business Rates	10/11/2022	08/12/2022	07/12/2022	Y	yes
Revenues FOI	FOI-466251500	council tax	18/11/2022	14/12/2022	14/12/2022	Y	yes
Revenues FOI	FOI-466654472	Council tax	20/11/2022	19/12/2022	21/11/2022	Y	yes
Revenues FOI	FOI-471665527	Business rate occupier query	14/12/2022	11/01/2023	16/12/2022	Y	yes
Revenues FOI	FOI-471677223	Business Rate occupier query	14/12/2022	11/01/2023	19/12/2022	Y	yes
Revenues FOI	FOI-471683680	Business Rate occupier query	14/12/2022	11/01/2023	19/12/2022	Y	yes
Revenues FOI	FOI-471704170	Business Rate occupier query	14/12/2022	11/01/2023	19/12/2022	Y	yes
Revenues FOI	FOI-471706578	Business Rate Occupier	14/12/2022	11/01/2023	20/12/2022	Y	yes
Revenues FOI	FOI-471708742	Business Rate occupier	14/12/2022	11/01/2023	20/12/2022	Y	yes
Revenues FOI	FOI-471711254	Business Rate occupier	14/12/2022	11/01/2023	21/12/2022	Y	yes
Revenues FOI	FOI-471712894	Business Rate Occupier	14/12/2022	11/01/2023	21/12/2022	Y	yes
Revenues FOI	FOI-471715808	Business Rate Occupier	14/12/2022	11/01/2023	21/12/2022	Y	yes
Revenues FOI	FOI-471719895	Business Rate Occupiers	14/12/2022	11/01/2023	19/12/2022	Y	yes
Revenues FOI	FOI-473660128	Business Rates	23/12/2022	20/01/2023	18/01/2023	Y	yes
Revenues FOI	FOI-473661816	Council Tax	23/12/2022	20/01/2023	13/01/2023	Y	yes
Revenues FOI	FOI-486559357	Freedom of information act for empty properties	13/02/2023	13/03/2023	17/02/2023	Y	yes
Revenues FOI	FOI-487717401	Council Tax Arrears - For the period 2013/14 - 2021/2022	16/02/2023	16/03/2023	14/03/2023	Y	yes
Revenues FOI	FOI-489267064	Business Rate occupier query - follow up reminder	21/02/2023	21/03/2023	22/02/2023	Y	yes
Revenues FOI	FOI-489630937	Busines rates	22/02/2023	22/03/2023	23/02/2023	Y	yes
Revenues FOI	FOI-493144614	Council Tax Severe Mental Impairment disregards	03/03/2023	31/03/2023	27/03/2023	Y	yes
Revenues FOI	FOI-497697860	Council Tax Arrears	16/03/2023	11/04/2023	03/04/2023	Y	yes
Revenues FOI	FOI-502045736	NDR Recovery Action	28/03/2023	25/04/2023	25/04/2023	Y	yes
Service Transformation FOI	FOI-487723210	FOI Request - Facilities Management	16/02/2023	10/03/2023	10/03/2023	Y	yes
Transport and	FOI-461213674	H2 Refuelling Station in Watford	26/10/2022	21/11/2022	26/10/2022	Y	yes
Transport and	FOI-481206384	Public Transport Budget	25/01/2023	20/02/2023	08/02/2023	Y	yes
Transport and	FOI-484637722	Money spent on changing street names	07/02/2023	07/03/2023	17/02/2023	Y	yes
Unknown	FOI-456891965	POTHLES REQUESTS, COMPLETION AND COSTS	06/10/2022	03/11/2022	07/10/2022	Y	yes

Waste and Recycling FOI	FOI-465470322	Tonnage of waste submitted to landfill sites	15/11/2022	12/12/2022	17/11/2022	Y	yes
Waste and Recycling FOI	FOI-466233494	Polythene Sacks	18/11/2022	14/12/2022	21/11/2022	Y	yes
Waste and Recycling FOI	FOI-479064040	Enforcement Activities	17/01/2023	10/02/2023	10/02/2023	Y	yes
Waste and Recycling FOI	FOI-479064873	Plastic Waste Shipped to Asia	17/01/2023	14/02/2023	24/01/2023	Y	yes
Waste and Recycling FOI	FOI-484603985	Bin Collection Rates	07/02/2023	03/03/2023	09/02/2023	Y	yes
Waste and Recycling FOI	FOI-485224819	Recycling Rates	08/02/2023	09/03/2023	17/02/2023	Y	yes
Waste and Recycling FOI	FOI-494094228	Contract with FCC Environment	06/03/2023	03/04/2023	10/03/2023	Y	yes

Summary

Calendar Month - Year	FOI Submissions	FOI Responded on time	% responded ontime
Mar-23	48	44	97%
Feb-23	70	67	100%
Jan-23	49	46	100%
Dec-22	29	29	94%
Nov-22	46	46	96%
Oct-22	33	32	92%
Totals	275	264	96.50%



Watford Borough Council
2022/23 Annual Assurance Statement and Internal
Audit Annual Report

25 May 2023

Recommendations

Members are recommended to:

Note the Annual Assurance Statement and Internal Audit Annual Report

Note the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP)

Approve the SIAS Audit Charter 2023/24

Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2022/23

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Appendices

- A Final position against the Council's 2022/23 Audit Plan

- B Definitions of Assurance Recommendation Priority Levels

- C Position against Public Sector Internal Audit Standards as at April 2023

- D Internal Audit Charter 2023/24

1. Purpose and Background

Purpose of Report

1.1 This report:

- a) Details the Shared Internal Audit Service's (SIAS) overall opinion on the adequacy and effectiveness of Watford Borough Council's (the Council) framework of governance, risk management and control. Reference is made to significant matters and key themes
- b) Shows the outcomes of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP).
- c) Summarises the audit work that informs this opinion.
- d) Shows SIAS performance in respect of delivering the Council's audit plan.
- e) Presents the 2023/24 Audit Charter for approval.

Background

- 1.2 A key duty of the Chief Audit Executive (the Council's Client Audit Manager) is to provide an annual internal audit opinion, concluding on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion informs the conclusions of the Council's Annual Governance Statement.
- 1.3 The assurance opinion in this report is based on the 2022/23 internal audit work which was planned and amended to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2023/24 before the Audit Committee report deadline.
- 1.4 The audit plan remained dynamic during the year, with plan changes made during the financial year to reflect the changing risks of the Council, or pace of transformation or change that would impact on the value of audits originally included in the plan. All plan changes during 2022/23 were communicated to, and approved by, the Audit Committee with the quarterly SIAS progress reports.
- 1.5 SIAS is grateful for the co-operation and support it has received from client officers during 2022/23.

2. Annual Assurance Statement 2022/23

Context

Scope of responsibility

- 2.1 Council managers are responsible for ensuring Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used

economically, efficiently, and effectively. They are also responsible for ensuring internal controls are robust and risk management arrangements are appropriate.

Control environment

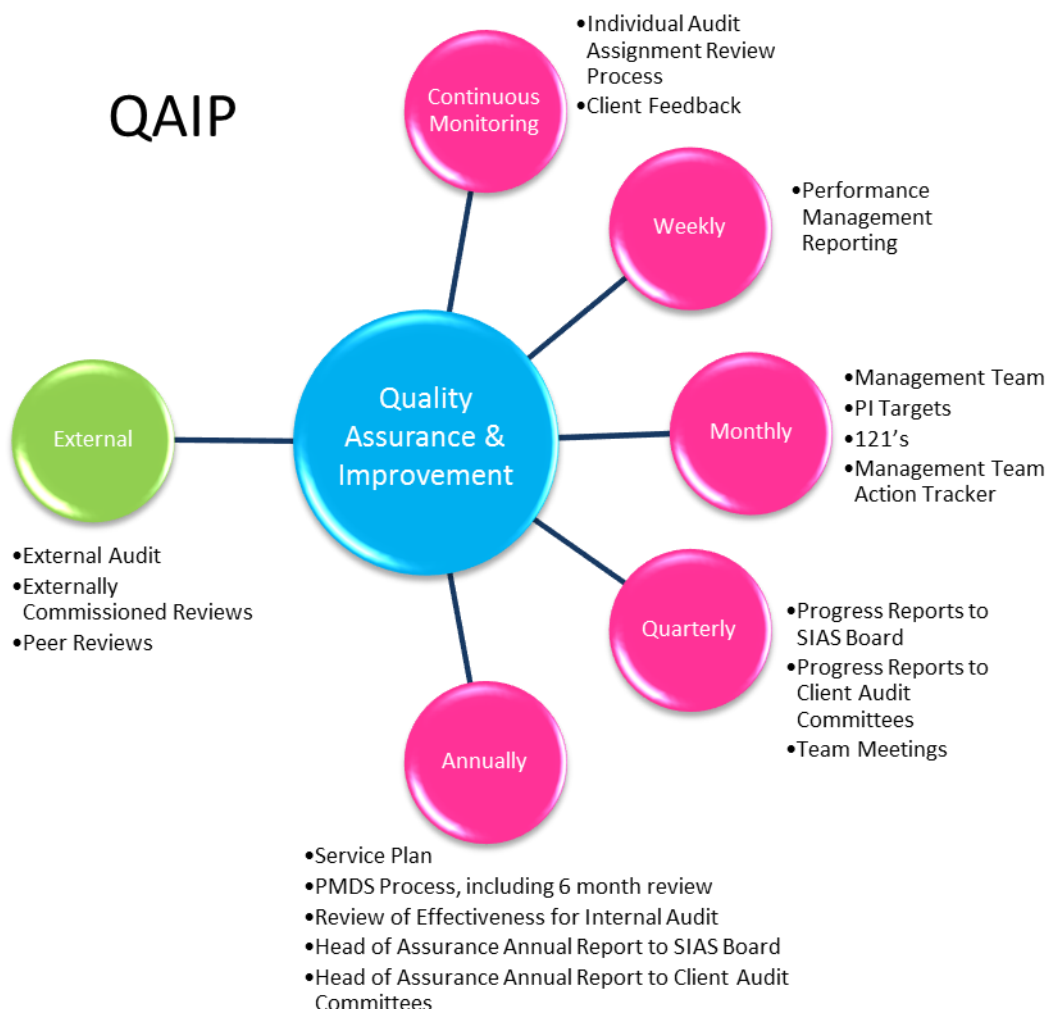
- 2.2 The control environment comprises three key areas: governance, risk management, and internal control. Together these aim to manage risk to an acceptable level, but it is accepted that it is not possible to completely eliminate it. A robust control environment helps ensure that the Council's policies, priorities, and objectives are achieved.

Review of effectiveness

- 2.3 The Client Audit Manager must confirm annually that the internal audit function is suitably qualified to carry out the work that informs the assurance opinion.
- 2.4 As part of our Quality Assurance and Improvement Programme, a self-assessment was conducted against the Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA) International Professional Practices Framework (IPPF). They promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. They also highlight the importance of robust, independent and objective internal audit arrangements to provide senior management with the key assurances needed to support them in both managing the organisation and producing the Annual Governance Statement.
- 2.5 The PSIAS also requires that the SIAS be subject to an external quality assessment (EQA) at least once every five years. This should be conducted by a qualified, independent assessor or assessment team from outside the organisation. This review was completed in June 2021 (the previous review being undertaken in 2015/16), with the result of the assessment reported to the Audit Committee in November 2021.
- 2.6 Based on the results of the 2022/23 PSIAS self-assessment, the Head of Assurance has concluded that SIAS 'generally conforms' to the PSIAS, including the Definitions of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. 'Generally conforms' is the highest rating and means that SIAS has a charter, policies and processes assessed as conformant to the Standards and is consequently effective.
- 2.7 The self-assessment identified two areas of agreed non-conformance, these reflecting the unique nature of a partnership arrangement and are not considered material. These are detailed in Appendix C. There are no significant deviations from the Standards which warrant inclusion in the Council's Annual Governance Statement.

Annual Assurance Statement and Internal Audit Annual Report - Watford Borough Council

- 2.8 The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on these. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.



Confirmation of independence of internal audit and assurance on limitations

- 2.9 The Client Audit Manager confirms that during the year:
- No matters threatened SIAS's independence; and
 - SIAS was not subject to any inappropriate scope or resource limitations.

Annual Assurance Statement and Internal Audit Annual Report - Watford Borough Council

Annual Assurance Statement for 2022/23

Assurance opinion on internal control

- 2.10 Based on the internal audit work undertaken at the Council in 2022/23, SIAS can provide the following opinion on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems.



Assurance opinion on Corporate Governance and Risk Management

- 2.11 SIAS has concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. This conclusion is based on the work undertaken by the Council and reported in its Annual Governance Statement for 2022/23. Although no specific review of risk management was carried out by SIAS during the year, risk management arrangements are considered during annual audit planning and delivery of individual audit assignments. A Corporate Governance audit was completed in 2022/23.

Alan Cooper

Alan Cooper
Client Audit Manager
May 2023

3. Overview of Internal Audit Activity at the Council in 2022/23

- 3.1 This section summarises work undertaken at the Council by SIAS in 2022/23. It highlights any significant internal control matters and opportunities for improvement.
- 3.2 Appendix A shows the final position against the agreed revised audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below (2021/22 data in brackets).

Assurance Level	Number of reports 2022/23 (2021/22 data in brackets)	Percentage of reports 2022/23 (2021/22 data in brackets)
Substantial	5 (4)	28% (25%)
Reasonable	10 (11)	55% (69%)
Limited	1 (1)	6% (6%)
No	0 (0)	0% (0%)
Not Assessed	0 (0)	0% (0%)
Unqualified	2 (0)	11% (0%)
Qualified	0 (0)	0% (0%)
Not Complete	0 (0)	0% (0%)
Total	18 (16)	100% (100%)

Recommendation Priority Level	Number of recommendations 2022/23 (2021/22 data in brackets)	Percentage of recommendations made 2022/23 (2021/22 data in brackets)
Critical	0 (0)	0% (0%)
High	1 (5)	2% (14%)
Medium	20 (17)	49% (47%)
Low	20 (14)	49% (39%)
Total	41 (36)	100% (100%)

- 3.3 **The Reasonable assurance opinion overall on financial systems** has been concluded from seven financial systems audits completed in the year. Six received Reasonable assurance and one received Substantial assurance. One high priority recommendation was made in these audits, arising from the Sundry Debtors audit. This related to accuracy of aged debt reporting from the information system.
- 3.4 **The Reasonable assurance opinion overall on non-financial systems** has been concluded from eleven audits where an assurance opinion has

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been given. One received Limited assurance, four Reasonable assurance and four Substantial assurance. No critical or high priority recommendations were made in these audits. The Limited assurance audit related to the Museum and the risks associated with meeting the re-accreditation requirements. A summary of the Museums audit was provided to the November 2022 Audit Committee as part of the Progress Report against the 2022/23 Internal Audit Plan, and the Associate Director of Environment attended the March 2023 Audit Committee to provide an update on implementation of recommendations from the report. Two grant determination audits were also completed, and both received an Unqualified opinion.

- 3.5 In arriving at our Reasonable assurance opinion for non-financial systems, we highlight that all but one of the opinions issued for individual audits during the year were assessed as Substantial or Reasonable assurance. This generally indicates the Council has satisfactory or good systems of internal control for a wide range of areas.
- 3.6 Seven audits were at draft report stage at the time of writing this Annual Report, with a management response awaited. These audits have contributed to the assurance opinion for 2022/23.

Audit Recommendations

- 3.7 Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is the responsibility of Officers to implement the recommendations by the agreed date. Members will continue to receive updates on the implementation progress of all audit recommendations through the SIAS Progress Reports to the Audit Committee.

4. Performance of the Internal Audit Service in 2022/23

Performance indicators

- 4.1 The table below compares SIAS's performance at the Council against the 2022/23 targets set by the SIAS Board.

Indicator	Target 2022/23	Actual to 31 March 2023	Actual at 16 May 2023
1. Internal Audit Annual Plan Report – approved by March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	Yes	N/A

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2. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes unused contingency days)	95%	92% (206 / 224 days)	100% (224/224)
3. Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	67% (12 out of 18 projects to draft)	100% (18 out of 18 projects to draft)
4. Client Satisfaction* – percentage of client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	95%	100%	100%
5. Chief Audit Executive's Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	Yes	N/A

Service Developments

4.2 During 2022/23, the development activities for SIAS included:

- a) **Recruitment and Retention** – during 2022/23 several staff have left the Service to pursue new career opportunities or retirement. The current market is widely recognised as very challenging, however the Service has successfully recruited two new Trainees, an Auditor, an Assistant Client Audit Manager (starting in June 2023), as well as Internal promotions for two staff members.
- b) **Training and Development** – given the current challenging recruitment market, SIAS are focusing on a 'grow your own' strategy. As part of this a full review of the approach to training and development has been undertaken. This included the introduction of dedicated quarterly training events for staff, and all team members being provided with personalised plans to support their development of skills for future career progression.
- c) **Ways of Working** – given the promotion of hybrid working practices across the Council, the service looked at ways to ensure that team working, bonding and information sharing continues, as this is key to the success of any team. Working with team members, SIAS have introduced an "Office Wednesday", with all team members encouraged to attend the

office to ensure that collaboration and support can continue to be in place in the times of more remote working.

- d) **Data Analytics** – SIAS continue to progress the adoption of data analytics into the audit process where this is deemed feasible. Data analytics is a powerful tool which can be incorporated into the audit process and enhances the ability to carry out whole population testing and continuous auditing. This in turn can enhance the assurance provided on the management of risk and controls. The above is being supported through close collaboration with our colleagues in the Local Authority Chief Auditors Network, our co-sourced audit partner (BDO) and training and development for our audit staff.

5. Audit Charter 2023/24

- 5.1 The PSIAS require a local authority to formally adopt an Audit Charter which covers the authority and responsibility for an internal audit function.
- 5.2 The SIAS Audit Charter sets out the framework within which it discharges its internal audit responsibilities to those charged with governance in the partner councils. It details the permanent arrangements for internal audit and key governance roles and responsibilities to ensure the effectiveness of internal audit provision.
- 5.3 The Audit Charter is reviewed annually. The review in May 2023 did not result in any material changes and the 2023/24 Charter is attached at Appendix D.

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

Watford Borough Council Audit Plan – 2022/23

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Key Financial Systems							
Council Tax (shared services plan)	Reasonable	0	0	2	2	10	Final Report Issued *
Financial Reconciliations (shared services plan)	Substantial	0	0	0	2	13	Final Report Issued *
Fixed Asset Register (shared services plan)	Reasonable	0	0	0	2	10	Draft Report Issued **
NDR (shared services plan)	Reasonable	0	0	4	0	10	Final Report Issued *
Payroll (shared services plan)	Reasonable	0	0	2	2	12	Draft Report Issued
Sundry Debtors (shared services plan)	Reasonable	0	1	2	2	10	Draft Report Issued
Treasury (shared services plan)	Reasonable	0	0	1	0	8	Final Report Issued **
Operational Audits							
Asset Management System Data						0.5	Audit Cancelled
Climate Emergency Follow Up	Reasonable	0	0	1	0	4	Draft Report Issued **
COMF Response	Unqualified	-	-	-	-	0.5	Final Report Issued
FOI	Substantial	0	0	0	1	8	Draft Report Issued **
Green Homes Grant	Unqualified	-	-	-	-	3	Final Report Issued

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Museum	Limited	0	0	5	1	11	Final Report Issued
Project Management	Substantial	0	0	0	2	12	Final Report Issued
Trees	Reasonable	0	0	2	3	10	Draft Report Issued **
Website Redesign	Substantial	0	0	0	0	9	Final Report Issued
Procurement / Contract Management Audits							
Contract Management	Substantial	0	0	0	1	12	Final Report Issued **
Governance & Risk Management							
Corporate Governance	Reasonable	0	0	0	2	12	Draft Report Issued
IT Audits							
Cyber Security (shared services plan)	Reasonable	0	0	1	0	15	Final Report Issued *
Contingency							
Unused Contingency (shared services plan)	-	-	-	-	-	1.5	
Shared Learning / Joint Reviews							
Shared Learning / Joint Reviews	-	-	-	-	-	4	Complete
Follow Up Audits							
Follow Up of Audit Recommendations	-	-	-	-	-	8	Complete

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Strategic Support							
2023/24 Audit Planning	-	-	-	-	-	6	Complete
Annual Governance Statement	-	-	-	-	-	3	Complete
Audit Committee	-	-	-	-	-	10	Complete
Head of Assurance Opinion 2021/22	-	-	-	-	-	3	Complete
Monitoring and Client Meetings	-	-	-	-	-	7	Complete
SIAS Development	-	-	-	-	-	3	Complete
2021/22 Projects Requiring Completion							
2021/22 Projects Requiring Completion (3 days WBC, 7 days shared services plan)	-	-	-	-	-	10	Complete
Total		0	1	20	20	225.5	

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* At Draft Report stage 31 March 2023, Final Report issued after year end.

** Draft Report issued after 31 March 2023.

Key to Recommendation Priority Levels: C = Critical priority recommendations; H = High priority recommendations; M = Medium priority recommendations; LA = Low/Advisory priority recommendations.

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

Audit Opinions		
Assurance Level	Definition	
Assurance Reviews		
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	
Not Assessed	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.	
Grant / Funding Certification Reviews		
Disqualified	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.	
Qualified	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.	
Disclaimer Opinion	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.	
Adverse Opinion	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.	
Recommendation Priority Levels		
Priority Level	Definition	
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

APPENDIX C – POSITION AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT APRIL 2023 – ACTION PLAN

Section A: Conformance - During 2022/23 all areas apart from those identified in Section B below were conforming.

Section B: Intentional Non-Conformance

Ref	Area of Non-Conformance with the Standard	Commentary	
3.1a	<p>Purpose, Authority and Responsibility</p> <p>Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE)?</p>	<p>The Head of SIAS, Hertfordshire County Council (HCC), in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE.</p> <p>This is as provided for in the governance of the Shared Internal Audit Service</p>	<p>Non-conformance</p> <p>No further action proposed. The current arrangements are considered appropriate given that SIAS operates as a partnership.</p>
3.1c	<p>Purpose, Authority and Responsibility</p> <p>Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?</p>	<p>The performance appraisal of the CAE is carried out by the Head of SIAS (HCC).</p>	<p>Non-conformance</p> <p>No further action proposed. The appraisal process was carried out by the Head of SIAS (HCC). The current arrangements are considered appropriate given that SIAS operates as a partnership.</p>



Audit Charter 2023/24

1. Introduction and Purpose

- 1.1. Internal auditing is an independent and objective assurance and consulting activity. It is guided by a philosophy of adding value to the operations of an organisation. It assists a council in achieving its objectives and ultimately provides assurance to the public by systematically evaluating and improving the effectiveness and efficiency of risk management, control, and governance processes.
- 1.2. The purpose of the Shared Internal Audit Service (SIAS) is to provide independent, objective assurance and consulting services designed to add value and improve client operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. SIAS helps clients accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

2. Statutory Basis of Internal Audit

- 2.1. Local government is statutorily required to have an internal audit function. The Accounts and Audit Regulations 2015 require that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 2.2. In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To fulfil this requirement, the S151 Officer relies, amongst other sources, upon the work of internal audit.

3. Role

- 3.1. SIAS internal audit activity is overseen by Watford Borough Council's committee charged with fulfilling audit committee responsibilities, herewith referred to as the Audit Committee. As part of its oversight role, the Audit

Committee is responsible for defining the responsibilities of SIAS via this Charter.

- 3.2. SIAS may undertake additional consultancy activity requested by management. The Client Audit Manager will determine such activity on a case-by-case basis, assessing the skills and resources available. Significant additional consultancy activity not already included in the Internal Audit Plan will only be accepted and carried out following consultation with the Audit Committee.

4. Professionalism

- 4.1. SIAS governs itself by adherence to the Public Sector Internal Audit Standards (PSIAS). These standards include the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (IPPF). They set out the fundamental requirements for the professional practice of internal auditing and the evaluation of the effectiveness of an internal audit function.
- 4.2. SIAS also recognises the Mission of Internal Audit as identified within the IPPF, 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight' and the Core Principles for the Professional Practice of Internal Auditing, which demonstrate an effective internal audit function, achieving internal audit's mission.
- 4.3. SIAS operations are guided by its operating procedures manual as well as applicable, Chartered Institute of Internal Auditors (CIIA) and Chartered Institute of Public Finance and Accountancy (CIPFA) Position Papers, Practice Advisories and Guides, and relevant council policies and procedures, including compliance with the Bribery Act 2010.
- 4.4. Should non-conformance with the PSIAS be identified, the Client Audit Manager will investigate and disclose, in advance if possible, the exact nature of the non-conformance, the reasons for it and, if applicable, its impact on a specific engagement or engagement outcome.

5. Authority and Confidentiality

- 5.1. Internal auditors are authorised full, free, and unrestricted access to any and all of a client's records, physical property, and personnel as required to carry out an engagement. All client employees are requested to assist SIAS in fulfilling its roles and responsibilities. Information obtained during an engagement is safeguarded and confidentiality respected in accordance with the Council's GDPR and information security policies.
- 5.2. Internal auditors will only use information obtained to complete an engagement. It will not be used in a manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client organisation(s). Internal auditors will disclose all

material facts known, which if not disclosed could distort a report or conceal unlawful practice.

6. Organisation

- 6.1. The Client Audit Manager and their representatives have free and unrestricted direct access to Senior Management, the Audit Committee, the Chief Executive, the Chair of the Audit Committee and the External Auditor. The Client Audit Manager will communicate with any and all of the above parties at both committee meetings and between meetings as appropriate.
- 6.2. The Chair of the Audit Committee has free and unrestricted direct access to both the Client Audit Manager and the Council's External Auditor.
- 6.3. The Client Audit Manager is line managed by the Head of SIAS who approves all decisions regarding the performance evaluation, appointment, or removal of the Client Audit Manager, in consultation with the SIAS Board.

7. Stakeholders

The following groups are defined as stakeholders of SIAS:

- 7.1. The Head of Assurance (HCC), working with the Head of SIAS, both suitably experienced and qualified (CCAB and / or CMIIA), is responsible for:
 - hiring, appraising, and developing SIAS staff in accordance with the host authority's HR guidance
 - maintaining up-to-date job descriptions which reflect the roles, responsibilities, skills, qualifications, and attributes required of SIAS staff
 - ensuring that SIAS staff possess or obtain the skills, knowledge, and competencies (including ethical practice) needed to effectively perform SIAS engagements
- 7.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Client Audit Manager to account for delivery. This is achieved through the approval of the annual audit plan, approval of performance targets set by the SIAS Board and receipt of regular reports.
- 7.3. The Audit Committee is also responsible for the effectiveness of the governance, risk, and control environment within the Council, holding operational managers to account for its delivery.
- 7.4. Where stated in its Terms of Reference, the Audit Committee provides an annual report to the Council detailing the Committee's activities through the year. In addition, and as required, the Committee ensures that there is appropriate communication of, and involvement in, internal audit matters from the wider publicly elected Member body.

- 7.5. The Client Audit Manager is responsible for ensuring that the outcome of all final Internal Audit reports is reported to all members of the Audit Committee, in a format agreed with these relevant parties.
- 7.6. Senior Management, defined as the Head of Paid Service, Chief Officers, and their direct reports, are responsible for helping shape the programme of assurance work. This is achieved through analysis and review of key risks to achieving the Council's objectives and priorities.
- 7.7. The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS and reporting to the Audit Committee its findings, including:
- resourcing and financial performance
 - operational effectiveness through the monitoring performance indicators
 - the overall strategic direction of the shared service.

8. Independence and Objectivity

- 8.1. No element in the organisation should interfere with audit selection, scope, procedures, frequency, timing, or report content. This is necessary to ensure that internal audit maintains the necessary level of independence and objectivity.
- 8.2. As well as being impartial and unbiased, internal auditors will have no direct operational responsibility or authority over any activity audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that might impair their judgment.
- 8.3. When asked to undertake any additional roles/responsibilities outside internal auditing, the Client Audit Manager will highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the PSIAS Code of Ethics as well as any relevant requirements set out in other professional bodies to which the Client Audit Manager may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.
- 8.4. Where SIAS has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, the Client Audit Manager and Head of SIAS will ensure that the risks of doing so are managed effectively, having regard to the Head of SIAS's primary responsibility to the management of the partners for which they are engaged to provide internal audit services.
- 8.5. The Client Audit Manager will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

9. Conflicts of Interest

- 9.1. Internal auditors will exhibit clear professional objectivity when gathering, evaluating, and communicating engagement information. When forming judgments, they will make a balanced assessment of all relevant circumstances and not be influenced by their own interests or the views and interests of others.
- 9.2. Each auditor will comply with the ethical requirements of his/her professional body and proactively declare any potential conflict of interest, whether actual or apparent, prior to the start of an engagement.
- 9.3. All auditors sign an annual declaration of interest to ensure that the allocation of work avoids conflict of interest. Auditors who undertake consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.
- 9.4. SIAS procures an arrangement with an external delivery partner to provide service resilience, i.e., additional internal audit days on request. The external delivery partner will be used to deliver engagements as directed by the Client Audit Manager in particular providing advice and assistance where SIAS staff lack the required skills or knowledge. The external delivery partner will also be used to assist with management of potential and actual conflicts of interest in internal audit engagements, providing appropriate independence and objectivity as required.
- 9.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements, or other benefits) the Client Audit Manager will investigate and report on the matter to appropriate parties.

10. Responsibility and Scope

- 10.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes (as they relate to the organisation's priorities and objectives) and the promotion of appropriate ethics and values.
- 10.2. Internal control and risk management objectives considered by internal audit extend to the organisation's entire control and risk management environment and include:
 - consistency of operations or programs with established objectives and goals, and effective performance
 - effectiveness and efficiency of governance, operations and employment of resources
 - compliance with significant policies, plans, procedures, laws, and regulations

- design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
 - safeguarding of assets
- 10.3. SIAS is well placed to provide advice and support on emerging risks and controls and will, if requested, deliver consulting and advisory services or evaluate specific operations.
- 10.4. SIAS is responsible for reporting to the Audit Committee and senior management, significant risk exposures, control and governance issues and other matters that emerge from an engagement.
- 10.5. Engagements are allocated to (an) internal auditor(s) with the appropriate skills, experience and competence. The auditor is then responsible for carrying out the work in accordance with the SIAS Operating Procedures Manual, and must consider the relevant elements of internal control, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

11. Role in Anti-Fraud

- 11.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee seeks to provide assurance on how the council manages the fraud risks to which it is exposed.
- 11.2. SIAS must have sufficient knowledge to evaluate the risk of fraud and the way it is managed by the Council but are not expected to have the expertise of a person or team whose primary responsibility is detecting and investigating fraud.
- 11.3. SIAS will exercise due professional care by considering the probability of significant errors, fraud, or non-compliance when developing audit scopes and objectives.
- 11.4. The Client Audit Manager should be notified of all suspected or detected fraud, corruption, or impropriety so that the impact upon control arrangements can be evaluated.

12. Internal Audit Plan

- 12.1. Following discussion with appropriate senior management, the Client Audit Manager will submit a risk-based plan to the Audit Committee for review and approval. This will occur at least annually. The plan sets out the engagements agreed by the Section 151 and Deputy Section 151 Officers and Management Board and demonstrates the priorities of both SIAS (the need to produce an annual internal audit opinion) and those of the organisation. Also included will be any relevant declarations of interest.

- 12.2. The plan will be accompanied by details of the risk assessment approach used and other assurance considered during the planning process. Also shown will be the timing of an engagement, its budget in days, details of any contingency for new or changed risks, time for planning and reporting and a contribution to the development of SIAS.
- 12.3. The plan will be subject to regular review in year and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems, and controls. All significant changes to the approved internal audit plan will be communicated in the quarterly update reports.

13. Reporting and Monitoring

- 13.1. A draft written Terms of Reference will be prepared and issued to appropriate personnel at the start of an engagement. It will cover the intended objectives, scope and reporting mechanism and will be agreed with the client. Changes to the terms of reference during the course of the engagement may occur and will be agreed following consultation with the client.
- 13.2. A report will be issued to management on completion of an engagement. It will include a reasoned opinion, details of the time period and scope within which it was prepared, management's responses to specific risk prioritised findings and recommendations made and a timescale within which corrective action will be / has been taken. If recommended action is not to be taken, an explanation for this will also be included.
- 13.3. SIAS will follow-up the implementation of agreed recommendations in line with the protocol at each client. As appropriate, the outcomes of this work will be reported to the audit committee and may be used to inform the risk-based planning of future audit work. Should follow-up activity identify any significant error or omission, this will be communicated by the Client Audit Manager to all relevant parties. A revised internal audit opinion may be issued on the basis of follow-up activity.
- 13.4. In consultation with senior management, the Client Audit Manager will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.
- 13.5. Quarterly update reports to the Audit Committee will detail the results of each engagement, including significant risk exposures and control issues. In addition, an annual report will be produced giving an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement) with a summary of the work that supports the opinion. Hertfordshire County Council's Head of Assurance will also make a statement of conformance with PSIAS, using the results of the annual self-assessment and Quality Assurance and Improvement Plan (QAIP) required by the PSIAS. The statement will detail the nature and reasons for

any impairments, qualifications, or restrictions in scope for which the Committee should seek reassurances from management. Any improvement plans arising will be included in the annual report.

14. Periodic Assessment

- 14.1. PSIAS require Hertfordshire County Council’s Head of Assurance and the SIAS Board to make arrangements for an independent review of the effectiveness of internal audit undertaken by a suitably knowledgeable, qualified and competent individual or organisation. This should occur at least every five years.
- 14.2. Hertfordshire County Council’s Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. These will include the Quality Assurance and Improvement Programme, client feedback, appraisals and shared learning with the external audit partner as well as coaching, supervision, and documented review.
- 14.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner’s Annual Report.

15. Review of the Audit Charter

- 15.1. The Client Audit Manager will review this charter annually and will present to the first audit committee meeting of each financial year, any changes for approval.
- 15.2. The Client Audit Manager reviewed this Audit Charter in May 2023. It will next be reviewed in May 2024.

Glossary of Terms

<p>Audit Committee</p>	<p>The PSIAS defines the Audit Committee as “The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.”</p> <p>The Audit Committee operates in accordance with its terms of reference contained in Watford Borough Council’s Constitution.</p> <p><i>CIPFA’s Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition</i> indicates that for a local authority, it is best practice for the audit committee to report directly to full council rather than to another committee, as the council itself most closely matches the body of ‘those charged with governance’. This is the case at Watford Borough Council.</p>
<p>Audit Plan</p>	<p>The programme of risk-based work carried out by the Shared Internal Audit Service (SIAS) on behalf of its clients.</p>
<p>Board</p>	<p>The PSIAS defines the ‘Board’ as “The highest-level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organisation’s activities and hold senior management accountable. Although governance arrangements vary among jurisdictions and sectors, typically the board includes members who are not part of management. If a board does not exist, the word “board” in the Standards refers to a group or person charged with governance of the organisation. Furthermore, “board” in the Standards may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an Audit Committee).</p> <p>For the purposes of the SIAS Audit Charter, the Board as referred to in the PSIAS shall be Watford Borough Council’s Audit Committee. All references to the Audit Committee in the SIAS Audit Charter should be read in this context.</p>

<p>Chief Audit Executive (CAE)</p>	<p>The PSIAS describes the role of CAE as “a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The CAE or others reporting to the CAE will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the CAE may vary across organisations.”</p> <p>The CAE is fundamental to the success of the service and to the extent to which it complies with the Standards. Regular reference is made to this role throughout the PSIAS, including some specific requirements relating to whoever is designated the role.</p> <p>For the purposes of the SIAS Audit Charter, the CAE as referred to in the PSIAS shall be Watford Borough Council’s Client Audit Manager. All references to the Client Audit Manager in the SIAS Audit Charter should be read in this context.</p>
<p>Management</p>	<p>Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers, and their direct reports.</p>
<p>Public Sector Internal Audit Standards (PSIAS)</p>	<p>These standards, which are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency, and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent, and objective internal audit arrangements to provide stakeholders with the key assurances they need to support them both in managing and overseeing the organisation and in producing the annual governance statement.</p>
<p>Shared Internal Audit Service (SIAS)</p>	<p>SIAS is a local authority partnership comprising Hertfordshire County Council</p>

	(HCC) and seven Hertfordshire district and borough councils. SIAS also provides internal audit services to a limited number of external clients. HCC is the host authority for the partnership and provides support services such as HR, technology, and accommodation.
SIAS Board	The Board that comprises officer representatives from the partner authorities and that is responsible for the governance of the SIAS partnership.

Note:

For readability, the term 'internal audit activity' as used in the PSIAS guidance has been replaced with 'SIAS' in this Charter.

Agenda Item 6

Part A

Report to: Audit Committee

Date of meeting: Thursday, 25 May 2023

Report author: Head of Finance

Title: Statement of Accounts and Annual Governance Statement 2022/23

1.0 Summary

1.1 This report sets out the timeframe for publication of the draft Statement of Accounts 2022/23 and seeks approval for the Annual Governance Statement 2022/23.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
The Council's Statement of Accounts are not approved and audited within the statutory timeframe	Failure to comply with statutory timeline impacts on audit opinion	Proactive liaison with the external audit team	Tolerate	4
Changes to accounting policies are not properly reflected in the Statement of Accounts	Material mis-statement or qualification	Review accounting policies annually. Maintain awareness of future changes	Treat	4

Changes to accounting policies have an impact on the revenue budget or capital programme.	Impact on reserves, especially where not identified at budget setting.	Maintain awareness of future changes	Tolerate	6
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3.0 Recommendations

3.1 To approve the Annual Governance Statement 2022/23

3.2 To note that the Director of Finance will authorise for issue a Draft Statement of Accounts 2022/23 for public inspection by 31 May 2023

Further information:

Hannah Doney
hannah.doney@threerivers.gov.uk

Report approved by:

Alison Scott, Shared Director of Finance

4.0 Detailed proposal

4.1 Statement of Accounts 2022/23

4.1.1 The Accounts and Audit Regulations 2015 set out the statutory timetable for the publication of the Council’s unaudited accounts and completion of the external audit. The amended regulations extend the deadline for audited accounts to 30 September 2023 from 31 July. However, there has not been any extension to the deadline for publication of draft accounts which must be published by 31 May 2023. This will enable the 30 day period of public inspection to commence no later than 1 June 2023.

4.1.2 The Draft Statement of Accounts for 2022/23 will be authorised for issue by the Director of Finance by 31 May 2023. A link to the draft accounts will be provided to members of the committee.

4.1.3 Due to the delays in completing the audit for 2020/21 and 2021/22 there technical accounting adjustments relating to asset valuations will not be complete within the draft accounts. In addition, the accounting adjustments in relation to the pension liability will also not be completed by 31 May due to a delay in receiving the information from the pension fund actuary. This delay has arisen due to the impact

of the triannual valuation which has required the actuary to revisit calculations for 2021/22 in addition to completing the reports for 2022/23.

4.2 **Annual Governance Statement 2022/23**

4.2.1 Local authorities are required to prepare an Annual Governance Statement (AGS) to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.

4.2.2 The AGS must be published alongside the Statement of Accounts for the period of Public Inspection.

4.2.3 The AGS is approved by the Chief Executive and the Leader of the Council. The Audit Committee has the responsibility of reviewing the Council's AGS each year and considering whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

4.2.4 The AGS follows the principles and best practice advocated by CIPFA (The Chartered Institute of Public Finance and Accounting), the body which advises on good governance.

4.2.5 The AGS for 2022/23 is published at Appendix 1 to this report. It includes an outline of the Council's governance framework, a review of the effectiveness of the arrangements, and a conclusion in relation to the effectiveness.

4.2.6 Based on the information set out in the AGS, the following conclusion is included:

"It is our opinion that the Council's governance arrangements in 2022/23 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2023/24."

4.3 **Financial Management Code of Practice**

4.3.1 The CIPFA Financial Management Code of Practice (FM Code) sets out the 'gold standard' for financial management arrangements in local government. The FM Code does not have statutory status but brings together best practice and statutory guidance including the Prudential Code for Capital Finance in Local Authorities. Local authorities have been required to comply with the FM Code since April 2021.

4.3.2 The Redmond Review into the effectiveness of Local Government audit, which reported in September 2020, suggested that government could consider giving the FM Code statutory status and bringing compliance with code into the remit of the

external audit regime. This remains under consideration by DLUCH. In the meantime, CIPFA have mandated local authorities to disclose compliance with the FM Code in the AGS and identify any outstanding areas for improvement or change.

4.3.3 To meet this requirement, a self-assessment against the FM Code for 2022/23 has been completed and is included as Appendix 2 within the AGS. All areas covered by the FM Code are rated green with the exception of the assessment against external reporting requirements in relation to the completion of the annual Statement of Accounts. This is rated amber in recognition that the delay in completing the audit of the accounts for 2020/21 and 2021/22 which has impacted on the timeliness of external reporting. Officers continue to work with the current external auditors, EY, to bring this this back within the statutory timeframe ahead of the transition to the Council's new auditors for 2023/24 onwards.

5.0 Implications

5.1 Financial

5.1.1 The Shared Director of Finance comments that there are no direct financial implications arising from this report.

5.2 Legal Issues (Monitoring Officer)

5.2.1 The Group Head of Democracy and Governance comments that the Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts.

5.3 Equalities, Human Rights and Data Protection

5.3.1 Under s149 (1) of the Equality Act the council must have due regard, in the exercise of its functions, to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
- advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
- foster good relations between persons who share relevant protected characteristics and persons who do not share them.

Having had regard to the council's obligations under s149, it is considered that there are no equalities or human rights implications.

5.4 **Staffing**

5.4.1 There are no staffing implications arising from this report.

5.5 **Accommodation**

5.5.1 There are no accommodation implications arising from this report.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no community safety/crime and disorder implications arising from this report.

5.7 **Sustainability**

5.7.1 There are no sustainability implications arising from this report.

Background Papers

None

Appendices

Appendix 1 - Annual Governance Statement 2022/23

Watford Borough Council

Annual Governance Statement 2022/23

SCOPE OF RESPONSIBILITY

1. Watford Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. 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.
2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. Watford Borough Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/Solace Framework 'Delivering Good Governance in Local Government'. It is also in accordance with the requirements of the Accounts and Audit (England & Wales) Regulations 2015.
4. This Governance Statement explains how the Council has maintained sound governance during the 2022/23 financial year and also how the Council meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

5. The governance framework has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual report and statement of accounts. It comprises the systems and processes as well as the culture and values, by which the Council is directed and controlled, and through which it accounts to, engages with, and leads the community.
6. The governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.
7. The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. However, it cannot eliminate all risk of failure to achieve policies, aims and objectives and, therefore, can only provide reasonable and not absolute assurance of effectiveness.
8. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically.

THE GOVERNANCE FRAMEWORK

9. The key elements of the systems and processes that comprise the Council's governance arrangements, as per the CIPFA 'Delivering good governance in local government: Framework – Addendum' include the following:

General

10. Watford Borough Council operates an elected Mayor and Cabinet model of governance under the Local Government Act 2000, and this places total responsibility for those functions designated as Executive Functions into the hands of the directly elected Mayor. However full Council is responsible for setting the Council's budget and agreeing the key policy framework. The Council also has established an Overview and Scrutiny Committee, and Finance Scrutiny Committee to scrutinise the actions of the elected Mayor and Cabinet and assist with policy development. In addition, the Council has further committees that cover non-executive functions, these are Licensing, Development Management, Audit, Functions, Standards and Chief Officer Pay Panel. It also has a number of advisory member groups such as Major Projects Board, Planning Advisory Group, Housing Advisory Group, the Health and Wellbeing Forum, the Sustainability Forum, the Constitution Working Party and Member Development Group.
11. Watford Borough Council has a directly elected Mayor, which means that the community elect that person to lead the council at four yearly intervals. The Mayor is supported by a Cabinet made up of elected councillors that plays a key role in determining the overall budget and policy framework of the Council. Each member of the Cabinet has a portfolio for which they are responsible and can make delegated decisions within their area of responsibility as set out in the Executive Scheme of Delegation, individual officers can also make decisions as set out in both the Executive Scheme of Delegation and the Councils Functions Scheme of Delegation in the Constitution.
12. The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to the local community. Some of these procedures are required by law, whilst others are adopted by the Council. The Constitution is reviewed annually and is available on the Council's website and intranet.
13. The Council has an approved Local Code of Governance, Code of Conduct for Councillors, and a separate code for Officers, which sets out and describes its commitment to good governance and identifies the arrangements that have been and will continue to be made to ensure its ongoing effective implementation and application in all aspects of the Council's work. The Local Code of Governance is available on the Council's website and intranet.
14. The Council acknowledges its responsibility for internal control, and for ensuring that its systems maintain the integrity of accounting records, and the safeguarding of its assets. These systems provide reasonable assurance as to the reliability of financial information and to maintain proper control over the income, expenditure, assets, and liabilities of the Council. However, no system of internal control can provide absolute assurance against material misstatement or loss.
15. The Corporate Management Team is aware of the financial and other procedures and controls outlined in the Constitution, and senior officers are required to sign a declaration of compliance, in the form of a Management Assurance Statement at the end of each year. This evidences, amongst other things, that their staff are aware of and consistently apply the requirements of the Constitution.

16. Elected Members as decision-makers have to fill in a register of disclosable pecuniary and other interest when they are elected and also declare any disclosable pecuniary or non-pecuniary interests as and when they occur.

Strategic Aims and Objectives

17. The governance framework enables the Council’s key objectives as outlined in the Council Plan. Our Council Plan 2022–26 sets out our ambitions and our overarching themes for Watford over the next four years – a council working with and for our community and serving our residents, a greener, brighter future, an inspiring, thriving, and creative town, and a diverse, happy and healthy town.

A Council working for our community and serving our residents	A greener brighter future	An Inspiring, thriving, and creative town	A diverse, happy and healthy town
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18. Both the themes and commitments are reflected in a detailed Delivery Plan (2022-24). This Delivery Plan shows how we will focus our work to bring the Council Plan to life over the next two years, making sure we deliver what we said we would achieve. Under each theme, we clearly set out our priority actions, which we are committed to achieving by 2024. These actions cut across and support the delivery of our themes, linking together to shape a bright future for Watford.

The Council is also a partner in the Local Strategic Plan which is made up of key stakeholders such as Hertfordshire County Council, Hertsmere Council, Three Rivers District Council, Dacorum Council and St Albans Council. The Joint Strategic Plan will provide a long-term blueprint for the South West Hertfordshire area to 2050. It will consider and address issues that cross council boundaries and will set out a strategic vision for the area.

Decision Making Structures

19. Watford's Corporate Management Team comprises: the Chief Executive, an Executive Director (Place), two Directors (Partnership / Performance), Group Head of Democracy and Governance, six Associate Directors, Director of Finance (shared with Three Rivers District Council) and Executive Head of HR & OD (also shared with TRDC). The Corporate Management Team meets as the Corporate Management Board fortnightly. Financial control is primarily the responsibility of a shared Director of Finance with neighbouring Three Rivers District Council. The Council also has a Strategic Board chaired by the Chief Executive to consider the overall strategic direction of the Council. In addition, there are a variety of officer boards that look at the council’s commercial and property investments.

20. Overall financial control is monitored regularly by the Corporate Management Board and the Finance Scrutiny Committee, and quarterly by Cabinet. Budget preparation is influenced by the Council’s Medium-Term Financial Strategy (MTFS) which forecasts budget pressures and available resources over a four-year period. This MTFS is reported quarterly to Cabinet and Finance Scrutiny Committee where variations to the strategy are approved. The Council has the ultimate responsibility for approving the annual budget. The final accounts at the end of a financial year are subject to formal approval by the Audit Committee (but is also reported to Cabinet and Finance Scrutiny Committee).

Constitution

21. The Council has a written constitution which identifies community focus, service delivery arrangements, structures and processes, risk management, internal control arrangements and standards of conduct. This sets out how the council takes decisions, roles and responsibilities

of members and officers, codes of conduct, procedure rules, and also sets out the rights of citizens.

22. The Council's Constitution is available to all on the Council's website.
23. There are regular meetings of the Council, Cabinet and other committees. Council, Cabinet and committee / scrutiny meetings are open to the public and written reports are available to the public through the council's website. Information is only treated as confidential when it is necessary to do so for legal / commercial reasons in accordance with the provisions of the Local Government Act 1972.
24. The Council's key strategic document, the Council Plan has a four-year focus, supported by a two year Delivery Plan. These set out key service improvement priorities for the medium term, with targets for performance and deadlines for achievement. This has been informed by public consultation on a range of topics. Progress on the Delivery Plan is reported to the public through quarterly reports to Cabinet and Overview and Scrutiny Committee and the Council's magazine, About Watford, which is distributed to every household in the Borough and is also available online.
25. Councillors are assisted in their policy and decision-making roles by the advice of staff with suitable qualifications and experience, under the leadership of the Chief Executive. All reports requiring a decision from members include comments on financial, legal, equalities, sustainability, community safety (as relevant), risk and other appropriate issues such as potential risks to non-achievement, all of which ensures that comprehensive advice is provided prior to decisions being taken.
26. The Council also has an Officers' Code of Conduct which includes; Disclosure of Information, Political Neutrality, Potential Conflict of Interest Situation, Bribery, Corruption and Fraud, Appointments and Other Employment Matters, Outside Commitments, Personal Interests, Equality Issues, Information Security, Criminal Offences, Whistleblowing and Breaches of the Code of Conduct.
27. The scrutiny function within a local authority provides a necessary check upon the role of Cabinet and is a key component of corporate governance. At Watford it is co-ordinated through the Overview and Scrutiny Committee, which can review Cabinet decisions and service performance, including those of the Council's outsourced services, it can also set up task and finish groups to look in depth at issues it wishes to scrutinise, and it also scrutinises the Community Safety Partnership. In addition, the Standards Committee considers Member conduct and the Finance Scrutiny Committee considers financial issues. Finally, the Audit Committee reviews the overall governance arrangements, including the service related control and risk management environment. The Audit Committee also considers the response to Freedom of Information requests, the Ombudsman's annual report, risk management, Regulation of Investigatory Powers Act as well as annual accounts and treasury management (investment) policies.
28. The Council's protocols and procedures are reviewed and updated on a regular basis for standing orders, financial regulations, a scheme of delegation and supporting procedure notes/manuals clearly defining how decisions are taken and the process and controls required to manage risks. Compliance with established policies, procedures, laws and regulations, is achieved through a combination of training events, written policy and procedural documentation, authorisation procedures, managerial supervision, review by internal and external audit and use of the disciplinary procedure where appropriate.
29. Codes of Conduct defining the standards of behaviour for members, staff, partners and the community have been developed and communicated. These include:

- Members Code of Conduct.
- Code of Conduct for staff.
- Anti-Fraud and Corruption policy (including Whistleblowing and Anti-bribery).
- Money Laundering detection guidance.
- Members and officer protocols.
- Regular performance appraisals, linked to service and corporate objectives.
- A Standards Committee which has a key role in promoting and maintaining high standards of conduct for members.
- Officers are subject to the standards of any professional bodies to which they belong.

30. The Group Head of Democracy and Governance is the Council's Monitoring Officer and duties include: maintaining the Council's Constitution; reporting on any potential or actual illegality or maladministration; and giving advice to the Mayor and councillors on the Constitution or issues of maladministration, financial impropriety or probity.

31. The Shared Director of Finance is the statutory Chief Finance Officer. Duties include overall responsibility for financial administration, reporting on any actual or potential instances of illegality in expenditure, including unlawful loss or deficiency, or illegal items of account, and giving advice to the council on financial planning.

Data Quality, Risk Management and Fraud

32. The need to develop policies and guidance on data quality and assurance is essential in order to promote consistency and awareness across the organisation. To that end, the Council has a senior member of staff who acts as the Senior Information Risk Officer. Guidance documents include a Data Quality Policy, an Information Security Policy, a Data Asset Register and management training modules, all of which are on the intranet.

33. The governance framework is dependent upon the underlying system of internal control which is designed to manage risk to a reasonable level. The Council's approach to risk management is governed by its Risk Management Strategy which is updated annually and approved by the Audit Committee. This Strategy underpins the Corporate Risk Register which was updated and approved by the Audit Committee in March 2023. The Corporate Risk Register is reviewed quarterly at Corporate Management Board, in line with the Risk Management Strategy. All services also retain Service Risk Registers which are also reviewed on a quarterly basis with any significant risks reflected in the Corporate Risk Register.

34. Business continuity and emergency planning are other key aspects within the corporate governance framework.

35. All committee reports contain a 'risk implications' section as an aid to decision taking. There is a continued need to ensure an effective risk identification process occurs where the Council has outsourced the provision of services to a private sector partner.

36. The Council is committed to promoting a strong anti-fraud and corruption culture. The revised Anti-Fraud and Corruption Strategy approved in 2022 is the mechanism for achieving this commitment and aims to reduce losses to fraud and corruption to a minimum. Beating fraud is everyone's business, and the Council's internal arrangements are communicated throughout the Council, and publicly, demonstrating a culture and commitment to preventing fraud. The Council has a number of robust procedures and policies in place, which combined with executive support ensure that anti-fraud, bribery and corruption measures are embedded throughout the Council. This acts as an effective deterrent to fraudulent and corrupt activity and provides the means for reporting, detecting and preventing fraud, bribery or corruption. Having a holistic approach to tackling fraud is part of good governance.

Shared Services

37. Watford Borough Council has a shared service for Revenues and Benefits, ICT, Finance, Human Resources, pest control and procurement with Three Rivers District Council. Both councils also share the statutory post of Chief Financial Officer (S151) - the Shared Director of Finance.
38. Watford Borough Council are responsible for providing the services of ICT, Human Resources, pest control and procurement whilst Three Rivers District Council are responsible for providing Finance, and Revenues and Benefits. An Executive Board of senior management from both councils are responsible for these services. The role of the Board covers:
- Monitoring performance and dealing with complaints from either authority.
 - Resolving conflicts between competing interests amongst the authorities.
 - Reviewing the governance arrangements.
 - Dealing with matters referred up to it by the Operations Board.
 - Having overall supervision of the Shared Service.
 - Receiving annual reports on each service within the shared service.
39. Furthermore, Watford Borough Council has entered into two shared services with St Albans District Council. From November 2022 Watford is the lead authority for Planning Enforcement and Building Control and from February 2023 St Albans DC is the lead authority for Legal Services. The aim is to ensure more resilience in these key service areas through increased capacity of the staff and their greater breadth of knowledge. These changes will result in enhanced quality services.

Major Projects and Joint Ventures

40. The Council is committed to Watford's sustainable economic growth and the Council is committed to a number of major projects and joint ventures that will be delivered over the next 10 to 15 years:
- **Town Hall Quarter** - The 10-year Town Hall Quarter programme brings together seven interconnected projects that will all contribute to revitalising the spaces around the Town Hall.
 - **Market Street** - Watford's popular shopping destination Market Street is to benefit from a range of streetscape improvements to improve the look and feel of the area.
 - **Watford Business Park** - The 30 hectare Watford Business Park – located by Greenhill Crescent and Faraday Close - is one of the key employment hubs in the town with over 100 businesses employing 1000-1200 people from Watford and beyond.
 - **Watford Riverwell** - Watford Borough Council and its development partner, Kier Property, have been working to deliver a masterplan for Watford Riverwell to make sure it's a place that everyone can enjoy.
 - **Watford Junction** - The station, which currently welcomes 8 million visitors every year, will be brought into the 21st century by Watford Borough Council alongside its partners: Halkin, Network Rail, London North Western Railways and Hertfordshire County Council.
 - **Western Gateway** - The Western Gateway has been identified in the emerging Local Plan as a Special Policy Area where significant new development is being directed.
 - **Clarendon Road** - Significant improvements have taken place at the junction of Clarendon Road and Beechen Grove in Watford.

Community Engagement

41. Corporate governance includes informing our community of the plans and aspirations of the council and is primarily communicated through its published Council Plans, quarterly reports to Cabinet and Overview and Scrutiny Committee and the regular editions of 'About Watford'. The directly elected Mayor, Peter Taylor, takes the lead in ensuring there is open and effective community leadership and provides a focal point for individuals, communities, business and voluntary organisations to engage with the Council. The Mayor is also the Chair of the Borough's Local Strategic Partnership, One Watford, which continues to lead on the successful delivery of the overall vision and objectives for the town and on effectively integrating partnership working and delivery.
42. The Council has established twelve neighbourhood forums, which mirror the Borough's ward boundaries and each has a devolved budget of £3,000. These are organised and managed by the relevant local councillors as part of their commitment to community leadership and engagement. It can also be used to support local projects.
43. The Council has established clear channels of communication with all sections of the community and other stakeholders. It provides citizens and business' with information about the Council and its spending through a leaflet that is distributed with Council Tax and Business Rate bills and the publication of a summary of its key financial information through the Council magazine 'About Watford'.
44. A range of consultation and engagement projects are undertaken annually. This includes a regular 'Community Survey', which covers a range of areas relating to the Council's services and activities, including how it spends its money and prioritises areas for focus and improvement. Local residents are also invited to attend a range of Forums (such as the Community Forum, Pensioners Forum, and Sustainability Forum), which help build understanding across a range of areas including Council finances and the implications for future service delivery. The Watford Compact provides an agreement between the statutory and voluntary sectors in Watford to clarify and strengthen their relationship and to achieve better outcomes for individuals and for the Watford community.

REVIEW OF EFFECTIVENESS

45. In accordance with recent external audit guidance, the review of the effectiveness of the governance framework will focus upon significant weaknesses and the 'big picture'. If issues have not been highlighted, it is because current governance arrangements have proved fit for purpose.
46. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Report of the Head of Assurance for the Shared Internal Audit Service and also by comments made by the external auditors and other review agencies and inspectorates. The Mayor and Portfolio Holders maintain a continuous review of the Council's policies, activities and performance of Officers both through regular reviews and on a day to day basis.

The Council

47. Council comprises 36 Members and an Elected Mayor. The main roles are:

- To set Watford Borough Council's Budget and Policy Framework.

- To receive a report from the Mayor, which Councillors can then ask questions related to the report.
- To receive questions from the public, which are then debated by the Councillors.
- To receive petitions from the public, which are debated by the Councillors.
- To receive questions from Councillors with their response, these are not debated.
- To receive motions from Councillors, which are then debated.
- To consider any recommendations from Committees or Working Parties.

48. Council met five times during 2022/23 and agendas, reports and minutes are available on the Council's website.

Cabinet

49. Cabinet comprises the Mayor and five members and makes decisions which are in line with the Council's overall policies and Budget. It is chaired by the Mayor and includes the Portfolio Holders.

50. Each Member of Cabinet has responsibility for a range of Council functions, known as a portfolio and each Portfolio Holder is required to work closely with Group Head/Director/Associate Director and develop an in-depth knowledge of their portfolio area.

51. The dates of all Cabinet meetings are pre-published and all decisions are taken in public apart from a small number of reports which are considered and determined after the press and public have been lawfully excluded. Agendas, reports and minutes of the meetings are available on the Council's website.

52. Cabinet met six times during 2022/23.

The Review Committees

53. The Council has two review committees, Overview and Scrutiny Committee and Finance Scrutiny Committee. Their role is to scrutinise the decisions and performance of Cabinet and the Council as a whole.

54. Overview and Scrutiny Committee comprising nine members, is the over-arching scrutiny committee for Watford Borough Council. Its work includes:

- Reviewing called in Executive decisions made by Cabinet, Portfolio Holders and Officers.
- Reviewing the Council's performance measures.
- Monitoring the Executive decisions taken, and the key decisions to be taken, by Cabinet, Portfolio Holders and Officers.
- Monitoring the progress of recommendations from previous scrutiny reviews.
- Setting up Task Groups to review suggested topics for scrutiny.
- Monitoring the progress of Task Groups and agreeing the final reports.
- Setting a rolling scrutiny work programme.

The committee met ten times in 2022/23.

55. Finance Scrutiny Committee comprises nine members and its work includes:

- To examine the Medium-Term Financial Plan.
- To examine the budget strategy for the relevant financial year.
- To review the service spending priorities for the relevant financial year.
- To challenge, question and test those strategies and plans.
- To examine the draft proposals for the following financial year's budget.

- To challenge if the proposals match the strategy and priorities.
- To forward comments on the budget proposals to Cabinet in time for the January budget meeting.

The Finance Scrutiny Committee met five times in 2022/23.

Member Panels

56. In 2022/23 there was one task group set up by the Overview and Scrutiny Committee – a Sustainability Strategy task group. The task group met three times in November and December 2022. The group was established to ensure that non-executive councillors feed into the revised Sustainability Strategy. A report from the task group was presented and agreed by the Overview and Scrutiny Committee in February 2023 and by Cabinet in March 2023, in which the recommendations included increasing the target for the number of households who commit to making one change to live more sustainably were also agreed. The new Environmental Strategy; addressing the climate and ecological emergency 2023-2030 was also agreed by Cabinet at that meeting.

Standards Committee

57. The Standards Committee is set up as and when required to consider matters of Member conduct. There were no meetings of this committee in 2022/23.

Members Remuneration.

58. Watford Borough Council's Independent Remuneration Panel has been in existence since 2000; originally meeting on an annual basis, which later moved to a quadrennial review from 2013. In 2021 it carried out the latest quadrennial review. The report and recommendations of the Independent Remuneration Panel was approved by the Full Council as part of the Budget Council meeting, details of which are available on the Council's website.

Senior Management

59. There are three Council Officers who have statutory appointments - the Chief Executive's role as the Head of Paid Service, the Shared Director of Finance's role as the Section 151 Officer and the Group Head of Democracy & Governance as the Monitoring Officer. Watford's Corporate Management Team comprises; the Chief Executive, an Executive Director (Place), two Directors (Partnership / Performance), Group Head of Democracy and Governance, six Associate Directors, Director of Finance (shared with TRDC) and Executive Head of HR & OD (also shared with TRDC). The Corporate Management Team meets as the Corporate Management Board fortnightly.

Performance Management

60. Performance management follows a 'cascade' principle. The Council approves a Council Plan with a medium term – four year focus. The Council plan outlines the Council's high level commitments, linking to themes that have been identified as priority areas for the organisation and the town. The Council Plan is supported by a detailed two year Delivery Plan, which sets out the activities which will deliver the Council's commitments and by which it can be monitored and progress assessed. The Council Plan and Delivery Plan then cascade down to individual service plans, which in turn translates into team and individual work plans. Performance is monitored regularly by Cabinet, Overview and Scrutiny Committee and Corporate Management Board.

61. The Council keeps residents and stakeholders informed of its progress through a publication called 'About Watford' which is delivered to every household and covers key issues, events

and challenges. This publication is also made available online. It also has a large social media following across Facebook, Twitter and Instagram platforms which are becoming a significant channel for communicating and engaging with residents.

Procurement

62. The Council aims to use its resources efficiently, effectively and economically.

63. The Council has a robust set of documentation to provide guidance and advice to Members and officers to ensure that Procurement is carried out in an effective and ethical manner. This documentation includes Contract Procedure Rules and a Contract Management Toolkit. These documents are regularly reviewed to reflect changes in policy and legislation.

The Audit Committee

64. The Audit Committee comprises five members and met four times during 2022/23.

65. The Audit Committee's terms of reference are consistent with best practice. The Committee approves the annual plan of internal audit and receives the quarterly and annual reports of the Head of Assurance for the Shared Internal Audit Service. It approves the Statement of Accounts, the Annual Governance Statement and the review of the effectiveness of the internal audit system. It receives reports on risk management and reviews the operation of treasury management. It also received the annual letter from the Ombudsman and considers regular reports on Freedom of Information requests, risk management and the Regulation of Investigatory Powers Act.

Internal Audit

66. Internal Audit is an assurance function that provides an independent and objective opinion to the Council on its control environment, this comprises the systems of governance, internal control and risk management, by evaluating its effectiveness in achieving the organisation's objectives.

67. The internal audit function is carried out by the Shared Internal Audit Service (SIAS), a local internal audit partnership hosted by Hertfordshire County Council. This provides greater independence and resilience and a positive step in improving governance. Internal Audit carry out a programme of reviews during the year which are based upon a risk assessment including fraud risk. The audit plan is approved by Audit Committee in March of the preceding financial year. As part of these audits, any failures to comply with legislation, council policy and practice or best practice guidance issued by a relevant body is identified and reported. Circulation of reports to senior officers, reports to the Audit Committee and follow-up procedures ensure action is taken on priority improvements. Progress on implementing internal audit recommendations is reported in quarterly reviews to Audit Committee.

68. In line with Public Sector Internal Audit Standards, an Annual Assurance Statement and Internal Audit Report is compiled and presented to the first Audit Committee of each year, which:

- Includes an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Discloses any qualifications to that opinion, together with any reasons for the qualification.
- Draws attention to any issues which are judged particularly relevant to the preparation of the Annual Governance Statement.

69. The SIAS Head of Assurance Annual Report May 2023 is a key source document for the Council's Annual Governance Statement. The report concluded the following:

- SIAS has concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. This conclusion is based on the work undertaken by the Council and reported in its Annual Governance Statement for 2022/23.
- In respect of financial and non financial systems “Our overall opinion is Reasonable Assurance; meaning there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”

The Council's External Auditors

70. External auditors, Ernst & Young LLP (EY LLP), provide an external review function through the audit of the annual accounts, assessment of value for money, certification of grant claims and the periodic inspection of services such as Revenues and Benefits. The Annual Audit and Inspection Letter is circulated to all Members and formally reported to Cabinet and the Audit Committee.

71. The external audit of the draft statement of accounts for the years ended 31 March 2021 and 2022 have not yet been completed by EY LLP. There are a variety of complex factors contributing to audit delays in the current and previous years. A plan is in place with the Council’s external auditors to bring the audit timetable back within the statutory framework by April 2024.

72. In 2022, Council agreed to opt into the national procurement for external audit services for the five year period beginning on 1 April 2023, led by Public Sector Audit Appointments Limited (PSAA). The external auditor confirmed in December 2022 by PSAA for Watford Borough Council from 2023/24 is Azets Audit Services.

The Financial Management Code of Practice

73. The CIPFA Financial Management Code of Practice (FM Code) was published in November 2019. It sets out the ‘gold standard’ for financial management arrangements in local government. The FM Code does not have statutory status but brings together best practice and statutory guidance including the Prudential Code for Capital Finance in Local Authorities.

74. Appendix 2 is a self-assessment against the FM Code and includes actions for improvement.

SIGNIFICANT GOVERNANCE ISSUES

75. The ‘normal’ running of Council business has and can be controlled through the governance framework detailed in this report. No outstanding matters were brought forward from 2021/22. For 2022/23 the following significant governance issue has been identified from the Management Assurance Statements. Action proposed to mitigate against and manage the risk is shown in Appendix 1.

- The Council continues to pay out significant sums to householders for the Government’s various energy schemes. Our systems are not designed to make payments but to receive taxation revenue. This put additional pressure on the service and brings in scope for additional fraud and error.

Although not considered to be a significant governance issue, Cyber Security remains a threat (as it does to all organisations). The Council has a number of mitigations and appropriate governance arrangements in place and the associated risks are managed via the ICT risk register and through reporting to the IT Steering Group forum as part of regular reporting.

Certification Statement from the Elected Mayor and the Chief Executive

76. We propose to take steps over the coming financial year to address the above matters to further enhance our governance arrangements. We will also monitor the implementation of any audit recommendations that arise during the course of the year.

77. It is our opinion that the Council's governance arrangements in 2022/23 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2023/24.

Signed _____

Date _____

Peter Taylor - Mayor

Signed _____

Date _____

Donna Nolan - Chief Executive

WBC Annual Governance Statement 2022/23 Action Plan

No.	Issue	Action	Resolved	Updates
1	The Service continues to pay out significant sums to householders for the Government's various energy schemes. Our systems are not designed to make payments but to receive taxation revenue. This put additional pressure on the service and brings in scope for additional fraud and error.	Additional capacity has been brought in via a third party provider to carry out initial screening checks. Payments are subject to normal fraud and error checks.		

Financial Management Code Compliance Self-Assessment 2022/23

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1. Responsibilities of the Chief Finance Officer (CFO) and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VFM)	Services use peer reviews incorporating benchmarking to inform opportunities to improve VFM. All tenders consider VFM by considering the quality of service and not just price.		GREEN
B	The authority complies with the CIPFA "Statement of the Role of the CFO in Local Government"	The CFO is qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of Leadership Board and has an influential role with members of the Cabinet, Audit Committee and lead opposition members. Role profiles within the finance team have been refreshed to ensure that the team is suitably resourced and fit for purpose.		GREEN
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Statutory Officer Group exists to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Annual Assurance Statements by Leadership Board.	Embedding the Chief Internal Auditor (role fulfilled by Client Audit Manager through SIAS Partnership) into the Statutory Officers Group.	GREEN
D	The authority applies the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)"	Annual Governance Statement (AGS) includes internal audit opinion on effectiveness of internal control environment and systems of internal control. The Council updates the Local Code of Governance annually.		GREEN
E	The Financial Management style of the authority supports financial sustainability	At the core of the Finance Shared Service is a technical accounting team that provides the accounting framework, treasury management function for the organisation. The budget setting process and support for strategic financial matters is delivered by the Director of Finance and Head of Finance. The Finance Business Partner team provides dedicated support to Associate Directors and budget managers with financial planning and monitoring.	During 2023/24, the Finance Business Partnering model will continue to be embedded, further strengthening relationships between finance and services.	GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
3. Long to Medium-Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	An annual assessment is made for the prudent minimum level of General Balances and this forms the basis of the budget planning process. In addition, the authority holds earmarked reserves to manage specific risks such as the Croxley Business Park Reserve and the Business Rates Reserve. In making this assessment Officers use the CIPFA Financial Resilience index to benchmark against other local authorities.		GREEN
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The budget papers and MTFS outline the financial challenges and opportunities facing the Council. Budget planning reports to Cabinet clearly set out the financial planning environment and any assumptions made.		GREEN
H	The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”	An annual Capital and Investment Strategy is set by Council alongside a three-year Capital Investment Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for Leadership Board, Finance Scrutiny Committee and Cabinet. Mid-term and Outturn Treasury Management reports are taken to Audit Committee and Cabinet, including monitoring of Prudential Indicators.		GREEN
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a three-year MTFS supported by Service Plans.		GREEN
4. The Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	The CFO's Section 25 report forms part of the budget report to Council and includes a commentary of the adequacy of proposed financial reserves.		GREEN
5. Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	The Council's budget priorities are closely linked to the Council's Corporate Plan and Mayoral manifesto pledges which are voted on every four years. The Finance Scrutiny Committee considers and provides comments to Cabinet on the budget proposals. Specific proposals for service changes are taken through a formal public consultation process as part of the decision making process.		GREEN
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented. Cost estimates for capital projects are subject to robust challenge. Projects are managed within the Council's project management framework and supported by the Council's well established Enterprise Programme Management Office (EPMO).		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
6. Monitoring Financial Performance				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The quarterly monitoring report to Cabinet enables Leadership Board and Cabinet to respond to emerging risks – the effectiveness was evidenced during 2020/21 and 2021/22 as the Council agreed an in-year budget changes to respond to the financial impact of COVID-19. During 2022/23 the reporting framework was enhanced to provide greater transparency through organising appendices by service area. The report is also considered by Finance Scrutiny Committee.		GREEN
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The quarterly monitoring report to Cabinet includes monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).	Increase the visibility of relevant balance sheet items for service managers through improving service level reporting on earmarked reserves and aged debtors.	GREEN
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom” (The Code)	The annual accounts are produced in compliance with The Code. The accounts receive an unqualified audit opinion. The 2019/20 accounts were signed in January 2023 and received an unqualified audit opinion. Issues raised by external audit have been addressed by Officers, including accounting for infrastructure assets which was a national issue raised by the NAO.	The delay to the audit of the 2020/21 and 2021/22 accounts has impacted on the timeliness of financial reporting. However, a plan is in place with the Council’s external auditors to bring the audit timetable back within the statutory framework by April 2024.	AMBER
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	Leadership Board and Cabinet consider outturn report and year end variances in a timely manner enabling strategic financial decisions to be made as necessary including transfers to reserves and agreed carry forwards for both revenue and capital budgets.		GREEN

**Watford Borough Council
Annual Governance Statement
2022/23
Local Code of Governance**

What do we mean by Governance?

1. The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework') defines governance as follows:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

2. The International Framework also states that:

“To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.”

3. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
4. Governance comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
5. Good governance leads to:-
 - good management,
 - good performance,
 - good stewardship of public money,
 - good public engagement,
 - good outcomes for citizens and service users.
6. Good governance enables the Council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.
7. The Council, along with each and every other local authority, aims to meet the standards of the best and its governance arrangements should not only be sound but also be seen to be sound.

Governance Framework

8. The Council operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.
9. The Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) drew together a Working Group to compile a framework document entitled “Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) (‘the Framework’)”.

10. This Framework document is intended to be followed as best practice for developing and maintaining a local code of governance and for discharging accountability for the proper conduct of public business, through the publication of an annual governance statement that will make the adopted practice open and explicit.
11. To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out.
12. It is also crucial that the Framework is applied in a way that demonstrates the spirit and ethos of good governance which cannot be achieved by rules and procedures alone. Shared values that are integrated into the culture of an organisation, and are reflected in behaviour and policy, are hallmarks of good governance.

The Council's Commitment

13. The Council is committed to the principles of good governance and wishes to confirm its ongoing commitment and intentions through this Local Code of Governance.
14. This Code sets out and describes the Council's commitment to governance and identifies the arrangements that have been and will continue to be made to ensure its ongoing effective implementation and application in all aspects of the Council's work.
15. Accordingly, the Council will test its arrangements by:-
 - reviewing its existing governance arrangements against this revised Code,
 - maintaining an up-to-date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness,
 - on an annual basis, prepare a governance statement in order to report publicly on the extent to which the Council complies with this code, including how the effectiveness of its governance arrangements have been monitored in the year and on any planned changes in the coming period.

The Principles of Good Governance

16. The core principles and sub-principles of good governance set out below are taken from the International Framework. In turn they have been interpreted for a local government context.

The Seven Core Principles

17. Principles A and B permeate implementation of principles C to G.

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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

The core principle is supported by three supporting principles:

- a) Behaving with integrity,
- b) Demonstrating strong commitment to ethical values, and
- c) Respecting the rule of law.

B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

The core principle is supported by three supporting principles:

- a) Openness,
- b) Engaging comprehensively with institutional stakeholders, and
- c) Engaging with individual citizens and service users effectively.

18. In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for principles C to G.

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

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The core principle is supported by two supporting principles:

- a) Defining outcomes, and
- b) Sustainable economic, social and environmental benefits.

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

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

The core principle is supported by three supporting principles:

- a) Determining interventions,
- b) Planning interventions, and
- c) Optimising achievement of intended outcomes.

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

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The core principle is supported by two supporting principles:

- a) Developing the entity's capacity

b) Developing the capability of the entity's leadership and other individuals

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

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The core principle is supported by five supporting principles:

- a) Managing risk,
- b) Managing performance,
- c) Robust internal control,
- d) Managing data, and
- e) Strong public financial management.

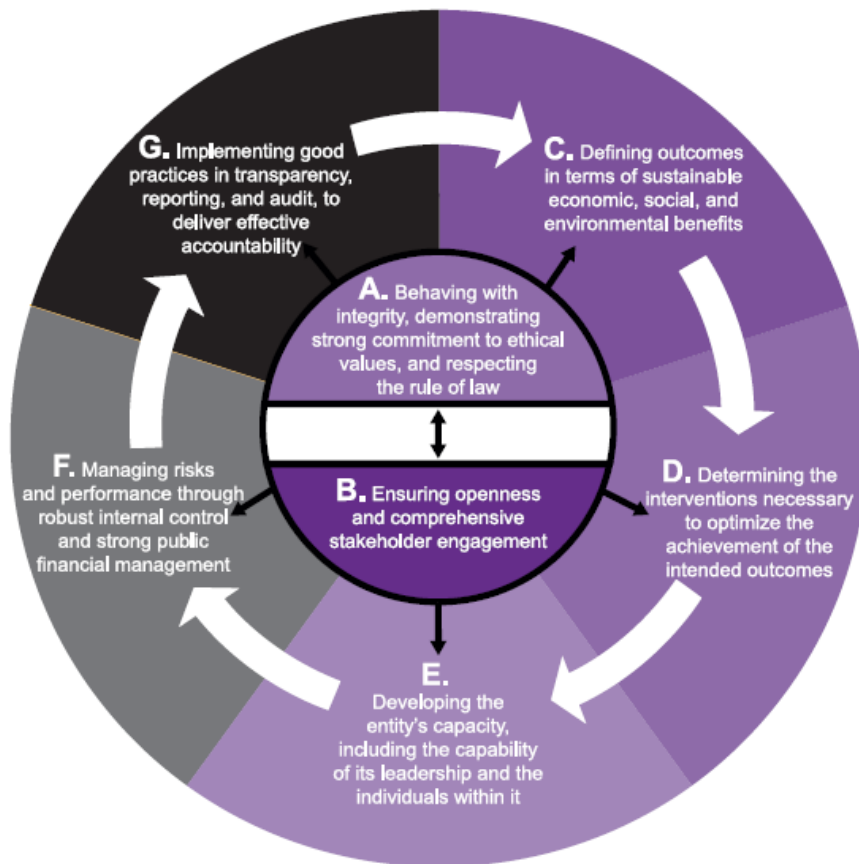
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

The core principle is supported by three supporting principles:

- a) Implementing good practice in transparency,
- b) Implementing good practices in reporting, and
- c) Assurance and effective accountability.

19. These principles are illustrated in the following diagram: (from CIPFA/SOLACE)



Monitoring and Review

20. The Council will carry out an ongoing review and monitoring of its governance arrangements (see Appendix A) and how these arrangements comply with the Framework document and this Local Code. This review and monitoring will include references to, amongst other things:

- Group Heads/ Directors, Assistant Directors Management Assurance Statements,
- Constitution Review arrangements,
- Ethics arrangements,
- Shared Internal Audit Service's Annual Report,
- Performance management arrangements,
- Risk management arrangements,
- Council's decision making arrangements,
- Freedom of information and data protection arrangements, and
- Council's complaints procedures (3C's).

21. The results of this process will be incorporated into an Annual Governance Statement (AGS), the preparation and publication of which is necessary to meet the statutory requirement of the Accounts and Audit Regulations 2015.

22. The purpose of the AGS is to provide an assurance that:

- governance arrangements are adequate and operating effectively,
- where the review has revealed gaps, action is planned that will ensure effective governance in future.

23. The AGS will be presented to the Council's Audit Committee and then Cabinet.

24. Once approved, the AGS will be signed by the Elected Mayor and the Chief Executive and will be published with the Annual Statement of Accounts, prior to being reviewed by the Council's External Auditors.

May 2023

Core Principles	A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B - Ensuring openness and comprehensive stakeholder engagement	C - Defining outcomes in terms of sustainable economic, social, and environmental benefits	D - Determining the interventions necessary to optimise the achievement of the intended outcomes	E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	F - Managing risks and performance through robust internal control and strong public financial management	G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	Constitution Financial Procedure Rules Contract Procedure Rules Responsibility for Executive functions (delegation) Responsibility for Council functions (delegation) Councillor and Officer Codes of Conduct Annual Governance Statement Members Remuneration Scheme Contract Management Toolkit Project Management Toolkit	Constitution Local Strategic Partnership – One Watford Service Level and Partnership Agreements Transparency and Open Data Freedom of Information Act 2000 Freedom of Information Publication Scheme Watford Observer Community Survey Communications and Engagement Plan In Touch Ask the MD	Council Plan (2022-26) Delivery Plan (2022-24) Strategic Group Community Safety Plan Local Development Plan Watford Parking Strategy Gambling Policy Economic Growth Strategy Homelessness Review Housing Strategy Waste Management & Recycling Policy	Constitution Council Plan (2022-26) Delivery Plan (2020-24) Medium Term Financial Strategy Service Plans Committee Meetings, Agendas and Minutes Finance Scrutiny Committee Local Strategic Partnership – One Watford Communications and Engagement Plan Shared Services Board	Organisational Development Strategy and Delivery Plan HR Policies Performance Development Review (appraisals) Job / Person Specifications Employee Health and wellbeing Strategy Health and Safety Group Safeguarding Policy Members and Staff Induction Programme Sickness Absence Policy	Medium Term Financial Strategy Treasury Management Strategy Finance Scrutiny Committee Audited Annual Statement of Accounts Revenue and Capital Budgets Risk Management Strategy Corporate and Service Risk Registers Annual Management Assurance Statements	Facility for Council to receive petitions Residents / business owners submit relevant questions in writing for consideration and response at Council meetings Freedom of Information Publication Scheme Notice of Executive Decisions Committee Meetings, Agendas and Minutes Local Government Transparency Code – Transparency and Open Data

Evidence of Good Governance	Whistleblowing Policy	Contracts Register	Cabinet	Corporate Management Board		Annual Governance Statement	Shared Internal Audit Service (SIAS)
	Anti-Fraud and Anti-Corruption Policy	Customer Feedback / Complaints Process		Cabinet		Shared Internal Audit Service (SIAS)	Head of Assurance Opinion and SIAS Annual Report
	Bribery Policy	Citizens Panel		Council		Annual Audit Plan Report	Annual Fraud Report
	RIPA Policy	Website		Annual Council		SIAS Progress Reports	Treasury Management Reports
	Equality Impact Assessments	Intranet				Head of Assurance Opinion and SIAS Annual Report	
	Bullying and Harassment Policy	Social Media Channels				External Auditors	
	Register of Members' Interests					External Audit Annual Audit Letter	
	Notification of Gifts & Hospitality (members and officers)					Committee Meetings, Agendas and Minutes	
	Audit Committee					Data sharing protocols	
	Overview and Scrutiny Committee						
	Finance Scrutiny Committee						
	Task Groups and Member Panels						
	Ombudsman Reports						

Core Principles	A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B - Ensuring openness and comprehensive stakeholder engagement	C - Defining outcomes in terms of sustainable economic, social, and environmental benefits	D - Determining the interventions necessary to optimise the achievement of the intended outcomes	E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	F - Managing risks and performance through robust internal control and strong public financial management	G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	<p>Protocol on Member / Officer Relations</p> <p>Standards Committee</p> <p>Fraud Service and Annual Report</p> <p>Corporate Management Board: - Chief Executive Officer (Head of Paid Service) - Shared Director of Finance (Section 151 Officer) - Group Head of Democracy and Governance (Monitoring Officer) Executive Director (Place), two Directors (Partnership / Performance), six Associate Directors, Executive Head of HR & OD</p> <p>Data Protection Policy</p> <p>Customer Feedback / Complaints Process</p>					<p>Budget Monitoring</p> <p>Finance Digest</p> <p>Overview and Scrutiny Committee</p> <p>Audit Committee</p> <p>Financial Procedure Rules</p> <p>Contract Procedure Rules</p>	

