

# **KNOWSLEY METROPOLITAN BOROUGH COUNCIL**

## **ANNUAL GOVERNANCE STATEMENT**

**2024/25**

## 1. Executive Summary

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

The Annual Governance Statement provides an account of the processes and systems which give assurance of the effectiveness of the Council's discharge of its responsibilities. This statement covers the period from 1 April 2024 to 31 March 2025.

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

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

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

## **2. The Purpose of the Governance Framework**

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

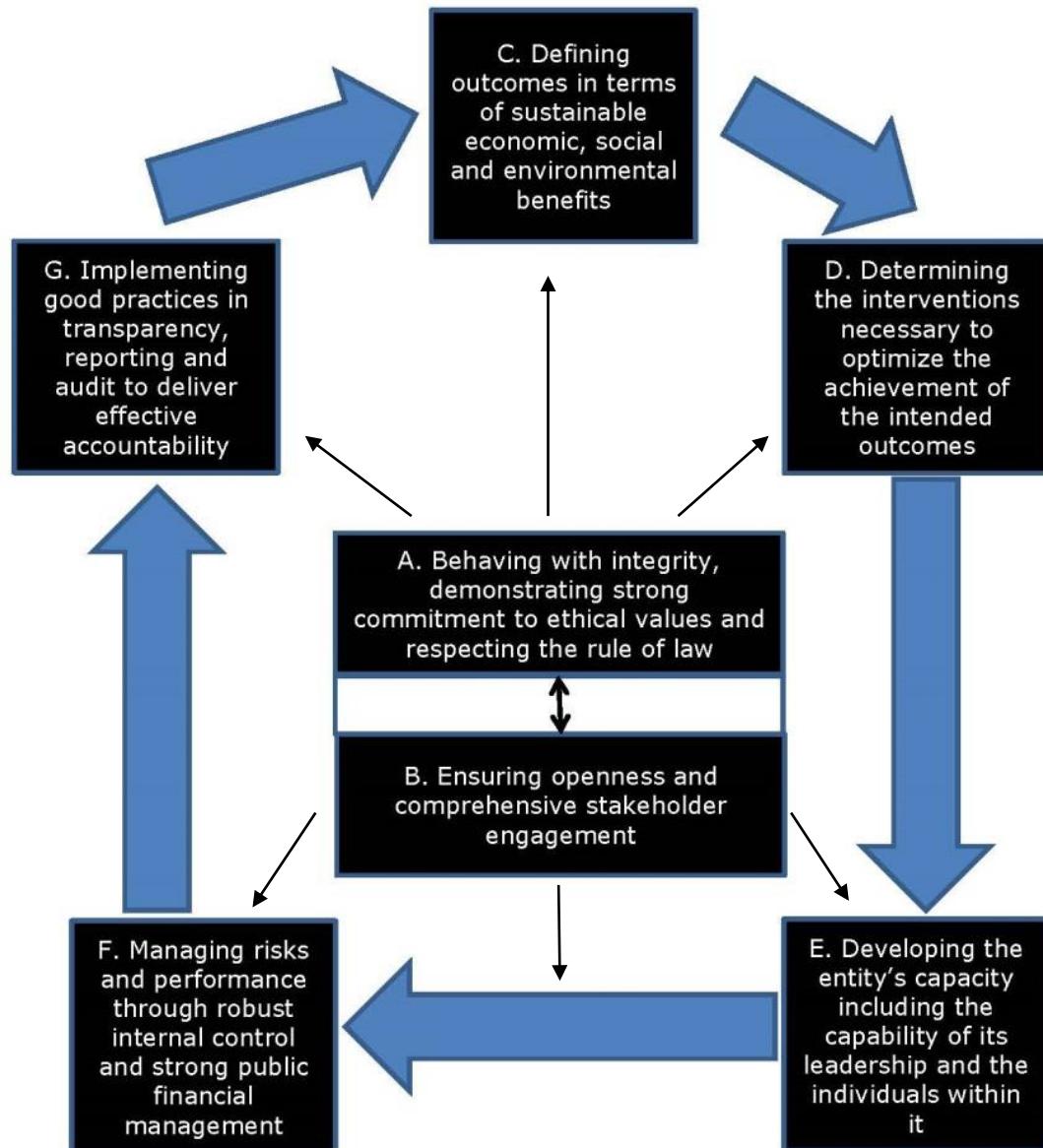
The governance of the Council is based fundamentally around its Constitution, and is supported by numerous policies, procedures, codes of practice, management processes, and a system of delegation and accountability. The Council's governance arrangements are reflected in its Code of Corporate Governance,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

The Council's Constitution clearly defines the roles of councillors and officers, and this clarity contributes to effective working relationships across the Council. The Constitution is reviewed annually to examine the governance arrangements and to ensure their continued robustness. During 2024/25 this review led to a number of changes to the Constitution which were considered and agreed by the Council at its Annual Meeting held on 16 May 2025.

The Council continued to work closely with its partners through the 2024/25 financial year and, in particular, with all strategic partners via the continuing development of the Knowsley Better Together Board.

### 3. The Principles of Corporate Governance

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



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

<b>A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
<b>How we meet this principle</b>	<b>Where this is demonstrated</b>
<ul style="list-style-type: none"> <li>Our Constitution sets out a series of ethical standards and values for both officers and Elected Members. It also includes an Anti-Fraud and Corruption Policy Statement (which includes the “whistle blowing” procedure and relevant contact details in this respect). These are reviewed on an annual basis as part of the formal review of the Constitution.</li> <li>The Officer Code of Conduct (which forms part of the Constitution) is also reviewed annually.</li> <li>We require the Register of Interests to be completed by Elected Members. Officers are also required to complete annual returns setting out any interests they may have for sign-off or action by their line manager as appropriate.</li> <li>We have put in place complaints procedures, including procedures for complaints regarding the behaviour of elected or co-opted Members.</li> <li>We have appointed a Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989 who is responsible for ensuring that, at all times, the Council acts within its legal powers. This officer makes regular reports to the Executive Management Team and the Governance and Audit Committee.</li> <li>The Chief Executive is the Head of Paid Service. He leads the Council's officers and chairs the Executive Management Team. Our statutory officers (including the Council's Section 151 Officer and Monitoring Officer) meet regularly with the Executive Management Team to ensure compliance with the Council's policies, legal duties and relevant guidance.</li> <li>Following a pay and grading review, we have implemented a pay and grading structure for all posts below senior officer level. A similar review of all senior officer posts was also undertaken and implemented during 2016. These principles are now routinely applied to any subsequent posts that are established or amended. (NB The Council now uses the Local Government job evaluation scheme, which is regularly updated, and any revisions and amendments are reflected to ensure that the Council's pay and grading structure remains current.)</li> <li>Financial and Contract Procedure Rules are contained within the Council's Constitution and are reviewed annually to ensure that they remain up to date and fit for purpose.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Constitution - Elected and Co-opted Member Code of Conduct (Part 5 Section 1)</a></li> <li><a href="#">Constitution - Anti-Fraud Corruption Statement (Part 5 Section 5)</a></li> <li><a href="#">Constitution - Officer Code of Conduct (part 5 Section 2)</a></li> <li>Members' declarations of interest are published on the Council's website (accessible via the details of each <a href="#">individual elected member</a>) and recorded as appropriate within <a href="#">minutes of meetings</a></li> <li><a href="#">Have Your Say - Compliments, Complaints and Feedback</a></li> <li><a href="#">Making a complaint about an elected or co-opted member's conduct</a></li> <li><a href="#">Constitution - Functions of the Monitoring Officer - Article 11 (Part 2)</a></li> <li><a href="#">Constitution - Financial Procedure Rules and Contract Procedure Rules (Part 4 Section 7)</a></li> <li><a href="#">Ethical Care Charter</a> (Minute Number 74(2))</li> <li><a href="#">Declaration of Intent – Race Equality (Minute Number 43(1))</a></li> </ul>

<ul style="list-style-type: none"> <li>Our Council Plan (The Knowsley Council Plan) contains a number of behaviours and values which the Council is committed to. This is supplemented by a number of Council resolutions, which support particular values and behaviours, that the Council's decision makers are required to act in accordance with; for example the principles of the UNISON Ethical Care Charter which aims to establish a minimum baseline for the safety, quality and dignity of care provided to clients; the declaration of intent – race equality; and the declaration of a climate emergency.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Climate Emergency</a> (Minute Number 42(1))</li> <li><a href="#">The Knowsley Council Plan 2022-2025</a> (and more recently, the <a href="#">Knowsley Council Plan 2025-2030</a>)</li> </ul>
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#### **Assurance received and/or issues identified**

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

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

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

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

The aim of the above policies is:-

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

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

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

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

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

## **B Ensuring openness and comprehensive stakeholder engagement**

How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"><li>The Council's planning and decision-making processes are based upon the presumption of openness and transparency, with all decisions published on the Council's website. These decisions provide clear reasoning and rationale.</li><li>Our planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.</li><li>We have undertaken service specific consultation with key stakeholders and service users directly through letters, emails, surveys and meetings.</li><li>All Members offer surgeries for their constituents. All Members are also available by email and mobile telephone.</li><li>The Knowsley Engagement Forum acts as a central co-ordinating forum for engagement and consultation direct with the public, including a locality perspective.</li><li>We also work extensively in partnership with other organisations in the Borough in keeping with our Knowsley Better Together approach (NB see "Determining the interventions necessary to optimise the achievement of the intended outcomes" below for further information in this respect).</li><li>The Council is invited to nominate Members to sit on a wide range of outside bodies. These</li></ul>	<p><a href="#">Council Committees</a>, <a href="#">Delegated Decisions</a> and <a href="#">Forthcoming Key Decisions</a></p> <p>Members' surgery details are available on the Council's website (accessible via the details of each <a href="#">individual elected member</a>) and the public are encouraged to make comments via the on-line "<a href="#">Have Your Say</a>" facility.</p> <p>Information on the Knowsley Better Together Board is available <a href="#">here</a>.</p>

outside bodies vary considerably in their status and purpose, with some having a specific Knowsley focus and others concerned with Merseyside-wide or national matters. Such appointments are determined at the [Council Annual Meeting - 17th May 2024 \(Item 11 refers\)](#). Details of the appointments are also listed in the information for each [individual elected member](#) on the Council's website.

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

#### **Assurance received and/or issues identified**

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

Specific consultation exercises undertaken by the Council during 2024/25 included:

- The Knowsley Council Plan;
- Halewood Active Travel and Road Safety Improvements;
- Housing Civil Penalties Policy;
- Mobile Homes Policy;
- Knowsley Local Cycling and Walking Infrastructure Plan;
- Annual review of the Constitution;
- School Admission Arrangements 2024/25; and
- Scrutiny Public Consultation 2024-2025.

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

C Defining outcomes in terms of sustainable economic, social and environmental benefits	
How we meet this principle	Where this is demonstrated
<ul style="list-style-type: none"> <li>The Knowsley 2030 Strategy has been co-produced with strategic partner agencies, Knowsley residents, businesses, and Elected Members. The commitments within the Strategy are co-owned by all key partner agencies within the Borough with a view to being collectively delivered following Knowsley Better Together principles. The Strategy is the culmination of an extensive process which began with gathering and understanding a range of evidence and insight from stakeholders about Knowsley today and about the aspirations of communities and businesses for the Borough in the year 2030. Working with partner agencies, Council officers have analysed this significant body of evidence and subsequently developed the aspirations and commitments within the Strategy.</li> <li>The Strategy focuses on five strategic outcomes which describe a vision for the kind of Borough stakeholders want Knowsley to be by 2030. Those outcomes are: <ul style="list-style-type: none"> <li>- A place with welcoming, vibrant and well-connected neighbourhoods and town centres;</li> <li>- A place with a thriving and inclusive economy with opportunities for people and business;</li> <li>- A place where people are active and healthy and have access to the support they need;</li> <li>- A place where people of all ages are confident and can achieve their full potential; and,</li> <li>- A place where strong and safe communities can shape their future.</li> </ul> <p>The recently revised Knowsley Council Plan 2025 – 2030 sets out the Council's vision - <i>Supporting Knowsley Residents to Thrive</i>. To ensure that the Council realises this vision, the Knowsley Council Plan is focused on three key priorities:</p> <ul style="list-style-type: none"> <li>(i) <b>Deliver effective, high quality services and support</b> – that positively impacts the lives of Knowsley residents.</li> <li>(ii) <b>Encourage growth that benefits everyone</b> - ensuring our communities and town centres can flourish.</li> <li>(iii) <b>Deliver targeted support to encourage fairness and opportunity</b> – for those residents facing the biggest challenges.</li> </ul> <p>The Knowsley Council Plan also includes the following five proposed guiding principles that signal to stakeholders how the Council intends to achieve its Knowsley 2030 ambitions:-</p> </li> </ul>	<p><a href="#">Knowsley 2030 Strategy</a></p> <ul style="list-style-type: none"> <li>• <a href="#">The Knowsley Council Plan 2025-2030</a></li> </ul>

<ul style="list-style-type: none"> <li>- Identifying issues early and taking action before problems escalate;</li> <li>- Understanding our people and our communities better and helping them find their own solutions;</li> <li>- Effective and efficient services for all;</li> <li>- Inclusive growth – everyone benefits, and no one is ‘left behind’; and,</li> <li>- Knowsley Better Together – more can be achieved if people, organisations and communities work together.</li> </ul> <ul style="list-style-type: none"> <li>• The Knowsley Council Plan 2025-2030 provides a focus on how the Council intends to achieve its Knowsley 2030 ambitions and ensure that the Council continues to support those in greatest need amongst Knowsley’s communities, working alongside strategic partner agencies to reduce longstanding inequalities in the Borough. The Knowsley Council Plan 2025-2030 was approved by the Council on 5 March 2025.</li> <li>• As part of the wider Liverpool City Region and its Combined Authority, we play an important part in the ongoing implementation of the City Region’s Devolution Agreement with the Government and the wider work of the Liverpool City Region Metro Mayor.</li> <li>• We have established a Health and Wellbeing Board, a Council committee which assesses the health and wellbeing needs of the local population and leads the statutory joint strategic needs assessment, promotes integration and partnership and holds the partner organisations to account.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#"><u>The Knowsley Council Plan 2025-2030</u></a></li> <li>• <a href="#"><u>Liverpool City Region Combined Authority information</u></a></li> <li>• <a href="#"><u>Constitution - Knowsley Health and Wellbeing Board Procedure Rules (Part 4 Section 5)</u></a></li> </ul>
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#### **Assurance received and/or issues identified**

By delivering high quality services which provide value for money and are aligned to the needs and priorities of the local community, the Council continues to make a vitally important contribution to achieving the long-term vision of the Strategy for Knowsley.

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

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

Prior to the updated Knowsley Council Plan 2025-2030 being agreed by Full Council on 5 March 2025, regular update reports were presented to the Cabinet on the delivery of the 2022-2025 Knowsley Council Plan. Such reports set out the achievements made together with the identification

of the challenges to be addressed in relation to the delivery of specific priorities that are carried through to subsequent Council Plan monitoring update reports as areas of focus (see [Knowsley Council Plan Monitoring Report - minute 27 refers](#)).

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

<b>D Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	
<b>How we meet this principle</b>	<b>Where this is demonstrated</b>
<ul style="list-style-type: none"><li>“Knowsley Better Together” (formally agreed by the Cabinet in July 2017) has been developed with a view to encouraging greater partnership working between the Council, businesses, residents and other stakeholders.</li><li>The Council’s Medium-Term Financial Plan, Revenue Budget and Capital Programme set out how the Council allocates resources to priorities.<ul style="list-style-type: none"><li>The Medium-Term Financial Plan is approved by the Full Council each March. The Medium-Term Financial Plan for 2024/25 to 2026/27 was approved by the Council on 6 March 2024.</li><li>The Capital Programme is monitored and reported during the year. The final monitoring report for 2024/25 was reported to the Cabinet on 11 June 2025.</li><li>Having considered Cabinet’s budget proposals, and further proposals put forward by the political groups, the Council’s 2024/25 Revenue Budget was approved by the Full Council on 6 March 2024.</li><li>Regular budget monitoring reports were considered by the Cabinet throughout the year. The final budget monitoring report for 2024/25 was reported to the Cabinet on 11 June 2025.</li></ul></li><li>We have a planning process (part of the Council’s overarching performance management framework) which sets out in detail the actions to achieve the priorities in the Council Plan which, in turn, is reviewed on an annual basis.</li></ul>	<a href="#">Knowsley Better Together</a>  <a href="#">Medium-Term Financial Plan (minute 52 refers)</a>  <a href="#">2024/25 Capital Programme (minute 6 refers)</a>  <a href="#">2024/25 Revenue Budget (minute 54 refers)</a>  <a href="#">2024/25 Revenue Budget Monitoring – Final Outturn Position (minute 5 refers)</a>

- The “Assurance and Delivery Unit” reports to the Assistant Executive Director (Legal and Governance) to ensure that there is an early warning system in place to identify potential risks and issues in relation to service delivery and the achievement of key priorities. In addition, a quarterly Oversight and Assurance meeting takes place with the Executive Management Team which takes a risk-based approach to reviewing issues across the Council. The categories are those issues that can be controlled, those that we can influence and those that we need to either accept or adapt to and intervention/action is discussed and agreed as appropriate.
- Our Contract Procedure Rules within the Constitution include requirements in relation to the consideration of Social Value, and we have adopted a “Social Value Statement” which sets out the Council’s social value outcomes and measures to support the vision, priorities and actions of the Council Plan to make Knowsley the “Borough of Choice”.
- All decisions made by the Council, the Cabinet, or Committees are made on the basis of written reports, which include information on legal and resource implications, equality and environmental assessments, consideration of the risks involved and their management, and communication issues. All such reports are required to include, as an appendix, a completed Equality Impact Assessment.

[Constitution - Contract Procedure Rules \(Part 4 Section 8\)](#)

[Social Value Statement](#)

#### **Assurance received and/or issues identified**

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

In recent years the Council has not had to make significant cuts to service budgets due to the strong decisions taken by the Council over the previous decade. Early announcements from the new Government have indicated a shift in policy for local government funding which will better recognise deprivation and will therefore benefit Knowsley in future years. However, the national economic climate is still challenging and the risk of future cuts in overall local government funding allocations remains. It is important that the Council continues to identify savings as part of the budget setting process to reduce the risk that future budget shortfalls have to be resolved by unplanned or reactive service cuts. In order to mitigate this risk, the Council has adopted a performance-based approach to its Financial Strategy. The core principles of this approach are that the Authority’s budgets should be allocated to deliver the most sustainable impact on the Council’s priorities and to ensure that statutory and regulatory requirements are met most efficiently and effectively. To enable this, a more integrated approach to budget setting and service planning has ensured that budget allocations are more directly linked to agreed performance levels, expected levels of efficiency, and the adoption of key policy principles including prevention, behaviour change and social value.

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

<b>E Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>	
<b>How we meet this principle</b>	<b>Where this is demonstrated</b>
<ul style="list-style-type: none"><li>• All new Elected Members and employees undertake an induction to familiarise them with the protocols, procedures, values and aims of the Council.</li><li>• We run a Member Development Programme to assist Members and strengthen their capacity as confident and effective political and community leaders, who are capable of forming healthy and productive relationships, networks, and partnerships.</li><li>• We run regular senior manager conference sessions and senior manager networking sessions, chaired by the Chief Executive.</li><li>• We provide opportunities for staff to study for professional qualifications; for example, those accredited by the Institute of Learning and Management (ILM) which supports the Leadership Development Programme.</li><li>• We have continued to revise our governance arrangements on an annual basis to ensure that they remain appropriate and fit for purpose.</li><li>• A review of the Council's departmental structure and senior officer arrangements has been undertaken and implemented in order to ensure that there continues to be clear lines of accountability and to ensure maximum value for money for the Council.</li><li>• With effect from April 2023, all service plans include key workforce planning priorities.</li></ul>	Elected Member Induction Programme  Employee induction programme  Member Development Programme
<b>Assurance received and/or issues identified</b>	
As part of the Council's strategy for Elected Member development, a Members' Training and Development Programme was introduced in July 2004. The Programme has been reviewed and updated annually by the Members' Training and Development Task Group taking account of the financial challenges that the Council has faced over the past few years, corporate priorities and ongoing feedback from Members.	

The Task Group agreed the programme for 2024/25 at its meeting held on 4 March 2024 in preparation for the 2024/25 municipal year, which was divided into the following seven elements:

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

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

During 2024/25, the following planned training interventions have taken place to support our Learning and Development Strategy:

- 408 x face to face training courses, which occupied 3,788 training places to the workforce across all occupational areas and to employees occupying full, part time, fixed term and temporary contracts.
- In addition to the occupational training course places (above), the Council continued to deliver an intensive two day induction programme for all new starters to the Council and followed this up with a 6 monthly review on new starter progress by the Chief Executive. Content includes a range of facilitated topic areas such as a Welcome to the Council by all members of the Executive Management Team, the Knowsley Better Together Journey, Communication and Resources, Culture and Compliance and a personal ‘meet and greet’ by the new line manager to support the transition from induction into the workplace.
- 160 existing employees were supported to access occupational apprenticeship levy funded qualifications during 2024/25 which covered 23 different occupational qualifications. 9 new members of staff joined Knowsley as a ‘new hire’ apprentice and have also enrolled in an apprenticeship qualification to secure their professional skills and knowledge and 44 learners successfully completed apprenticeship qualifications.
- On externally accredited management qualifications, 3 more employees enrolled on the Level 7 MSc in Public Sector Leadership/ Systems Thinking Practitioner, 19 delegates have participated in the Level 5 CMI in Operations Management, 9 employees participated in Level 4 Lead Practitioner qualifications and 13 employees participated in the CMI Level 3 Team Leader.
- 32 students have completed/started their Social Work placement within Knowsley, participating in 560+ hours of support sessions.
- There are currently 35 NQSWs on programme across Adults and Children’s, and 6 more Step Up students due to start across both services in

the coming months. We continue to work closely with both Adults and Children's social care to maximise opportunities for quality recruitment pathways and examining the important matter of retaining the talent that we have developed across this space and the wider organisation.

- We continued to commit to our wider early talent programmes through the employment of 6 graduates on a rotational graduate programme where they spend 8 months in 3 different placements over two years. This additional initiative adds to our existing 'early talent' graduates by making a total of 17 now on programme across the Council. It is envisaged that this programme will continue subject to appropriate funding.
- Over 37,000 hours of training have been accessed by employees via e-learning on our virtual platforms period which host over 450 targeted e-learning, video and podcast resources.
- This year we have continued to support a range of needs led workshops for target groups such as our 9 Employee Networks which support not only those colleagues with protected characteristics but also those who represent proportions of our workforce who would benefit from having their voices heard with regards to the influencing and feedback of Council policies and practices.
- During 2024 we also held our first Employee Recognition event which was based on nominations and recognition of achievement in a wide range of categories. This was extremely well received and the intention is to re-run such an event in 2025.
- During 2024 we also undertook a whole staff survey which resulted in a 49% response rate and some very useful feedback which has been actioned to improve all employees' experiences and sense of worth across the organisation. This survey will re-run again in 2025.
- During 2024 the Council started a focused programme of Exit Interviews in order to better learn why employees might leave the organisation and where this can lead to improved employment practices, including management and leadership interventions. This includes a process for issuing exit questionnaires and also a follow up interview with an independent member of staff. This has provided a rich source of data which, when also aligned with staff survey data, has informed the development of our new People Strategy.

This year we have made huge strides to improve the employee experience via the recruitment process and also improved the visibility and accessibility of job vacancies. This has included the attendance at a wide range of careers events at schools, colleges and universities as well as public promotions of careers in Knowsley at public events such as Culture Festivals and the Knowsley Flower Show.

Through the engagement of 3 HR Business Partners during 2024 and strengthening the skills and capacity across Human Resources, we are able to better connect with the needs of services and this has improved communication considerably and enabled our management teams to be more responsive and supportive of the diverse needs within services. Support sessions and consultation features a key part of our strategies to provide the best possible service and this includes examining the skills and competency needs of the organisation now and in the future so that we can align our current and future workforce to those needs. This includes working across a local, national and regional footprint to address skills shortage areas, an ageing workforce and the promotion of local government as preferred employer across numerous occupational fields. Continuous opportunity for employee development plays a large part in psychological investment with employees and we make sure that all opportunities are offered in a transparent and accessible way in order that we can attract, recruit, develop and retain the best talent.

<b>F Managing risks and performance through robust internal control and strong public financial management</b>	
<b>How we meet this principle</b>	<b>Where this is demonstrated</b>
<ul style="list-style-type: none"> <li>• In November 2022, the Cabinet approved a Risk Management Policy, replacing the previous Risk Management Strategy, setting out the roles and responsibilities of Elected Members and Council officers which must be fulfilled to ensure that the Authority continues to implement an effective approach to risk management.</li> <li>• Regular review of the Strategic Risk Register. An update was received at Cabinet in December 2024.</li> <li>• The Governance and Audit Committee meets regularly to provide independent assurance to the Council in relation to the effectiveness of the governance, internal control environment, treasury management, standards, and risk management framework. It receives regular reports on performance and reviews progress against any internal audit recommendations previously made. The Committee undertakes the core functions as identified in the Chartered Institute of Public Finance and Accountancy's Audit Committees – Practical Guidance for Local Authorities, and: <ul style="list-style-type: none"> <li>- provides independent scrutiny and assurance on the adequacy of the internal control environment and risk management framework;</li> <li>- reviews the Council's policies relating to governance and audit matters;</li> <li>- considers the strategic direction of counter fraud and internal audit, and the review of the effectiveness of internal audit;</li> <li>- supports and reviews standards of conduct;</li> <li>- reviews the treasury management strategy and performance; and,</li> <li>- oversees the financial reporting process.</li> </ul> </li> <li>• The Council's Scrutiny Committees examine the operations and policies of the Council.</li> <li>• We have an independent counter fraud team and an internal audit team with arrangements for reviewing the implementation of their recommendations. The Governance and Audit Committee approves the Internal Audit Operational Plan and receives progress updates during the year.</li> </ul>	<p><a href="#">Risk Management Policy - (min 24 refers)</a></p> <p><a href="#">Strategic Risk Register (Minute 32 refers)</a></p> <p><a href="#">Governance and Audit Committee Annual Report 2023/24 (Minute 26 refers)</a></p> <p><a href="#">Governance and Audit Committee Meetings</a></p> <p><a href="#">Scrutiny Committees</a></p>

- Performance and progress against the Council Plan is evaluated regularly using a performance management framework which provides for:
  - the systematic review and reporting of performance across the Council; and
  - the establishment and monitoring of achievement of the Council's aims.
- Our Medium-Term Financial Plan, Revenue Budget and Capital Programme set out how the Council allocates resources to priorities. These are approved by the Full Council each year and monitoring reports are submitted throughout the year to the Cabinet.
- The Council agreed an overall Capital Strategy for 2024/25, which explains how the Council's capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The overall Strategy includes the following components:
  - A Capital Strategy report;
  - The Capital Programme Monitoring Report;
  - The Treasury Management Strategy; and
  - The Investment Strategy.
- The Council's 2024/25 Treasury Management Strategy sets out the Council's plans for the overall management and control of the Council's cash income and expenditure for 2024/25. The Strategy takes into account updated forecasts on interest rates and covers various aspects of the treasury management function including:
  - identifying the controls and limits in place to minimise the risk of the treasury activities of the Council;
  - determining the Council's borrowing requirements for the year;
  - establishing the strategy for borrowing in terms of sources and types of loans;
  - setting an approach to be followed in the event of any rescheduling of debt which may be required;
  - outlining the Council's Minimum Revenue Provision Policy in line with regulations; and,
  - detailing the Annual Investment Strategy to be adhered to when placing funds on deposit.
- The Council's Statutory Officers report regularly through to the Chief Executive highlighting any issues and areas of risk along with actions taken/to be taken to address them.

[The Knowsley Council Plan 2025-2030](#)

[Council Budget Meeting - 6th March 2024](#)

<ul style="list-style-type: none"> <li>The Council has an Anti-Fraud and Corruption Statement, supported by a number of policies such as Whistleblowing, Anti-Bribery and Anti-Money Laundering. This provides an avenue for people (both internally and externally) to report issues anonymously. A panel considers the issue reported, chaired by the Head of Finance if the matter is financial or by the Monitoring Officer in any other instance.</li> </ul>	<a href="#">Anti-Fraud and Corruption Statement (Part 5 Section 5)</a>
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#### **Assurance received and/or issues identified**

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

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

The Council is currently reviewing its approach to risk management taking into account recommendations from the review of the Council's approach to governance by the external Auditors (Grant Thornton). The recommendations included reviewing the frequency of reports to the Committee and also the number of strategic risks included on the register.

Each year the Council considers a Governance and Audit Committee Annual Report which summarises the work of the Committee during the year and sets out how the Committee examined and challenged the arrangements for effective governance. The Annual Report also indicates the breadth of the Committee's role in ensuring that every aspect of the Council's work should be compliant with standards and transparent to its stakeholders. In this way, the Annual Report demonstrates the value of the Committee to the Council and the public, ensuring that governance is on a sound footing. The Governance and Audit Committee, at its meeting held on [23 September 2024](#), approved the Governance and Audit Committee Annual Report for 2023/24 and this was endorsed by Full Council at its meeting held on 9 October 2024.

The Governance and Audit Committee reviews the Strategic Risk Register (which the Cabinet subsequently approves). The Committee, at its meeting held on [10 March 2025 - Item 5](#) considered a report on the Council's revised Strategic Risk Register, following a full review of the Risk Register. This ensured that the strategic risks remain aligned with the Council's priorities. The updated Strategic Risk Register included a full update on the work which had taken place to mitigate significant risks during a period of unparalleled challenges. There were 39 risks on the Strategic Risk Register – 16 were rated "High", 18 were rated "Medium", and 5 were rated "Low".

The Council's five Scrutiny Committees (Children, Climate Emergency, Inclusive Growth and Skills, Health and Adult Social Care, and Stronger Communities) supported and enhanced the Council's decision-making processes during the year; they also supported the development of policy, monitored performance and made recommendations to support improvement. Each year, Council considers an Annual Scrutiny Report that provides a brief overview of how Knowsley's Scrutiny Committees work and what they have achieved over the previous municipal year (see [Scrutiny Annual Report 2023/24 \(Minute 26 refers\)](#)).

The audited 2023/24 Statement of Accounts and the External Audit Reports were considered by the Governance and Audit Committee at its meeting on 10 February 2025. The Accounts were approved by the Committee and published on the Council's website on 27 February 2025 – meeting the statutory deadline of 28 February 2025. The final auditor's opinion was that the Accounts give a true and fair view of the financial position of the Authority, except for the possible effects of the valuation of two assets. The Auditor's Annual Report also noted the need for the Council to address the weaknesses in Children's Services identified by the recent Ofsted inspection. The Council is taking actions to address these matters. The Committee noted that these matters do not undermine the wider assurance regarding the overall quality of the Accounts, the soundness of the Council's financial standing, and the probity and stewardship of the Council's resources. The Auditors also concluded that there are no other matters to be reported relating to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

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

Part 4, Section 7 – Financial Procedure Rules

Part 4, Section 8 – Contract Procedure Rules

[Governance and Audit Committee information](#)

[Forthcoming Key Decisions](#)

[Council Committees](#)

[Delegated Decisions](#)

[Publication scheme](#)

[Privacy Policy](#)

#### **Assurance received and/or issues identified**

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

The Internal Audit service reviews the systems for governance, risk management and internal control. Compliance checks are carried out with Council policies and, where incidents of non-compliance are identified, appropriate action is taken. An important aspect of governance is the need to ensure that all of the Council's policies are up to date, relevant, and consistent, and the Council's Policy Framework documents, which are reported to Council, are kept under regular review.

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

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

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

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

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

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

The Council's external auditors during 2024/25, Grant Thornton, were invited to all meetings of the Governance and Audit Committee held throughout the year. The following items have been presented to the Committee by Grant Thornton during 2024/25:-

[Grant Thornton - Draft External Audit Plan \(June 2024\);](#)  
[Grant Thornton - Audit Progress Report \(September 2024\)](#)  
[Grant Thornton Update \(February 2025\)](#)  
[Grant Thornton Update \(March 2025\)](#)

#### **4. Review of Effectiveness**

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

Specific areas of review, along with issues facing the Council during 2024/25 and the Council's response to these, are set out below. Actions undertaken during 2024/25, and further actions proposed for 2025/26, are set out in Appendices 2 and 3 respectively.

##### **Financial Management**

On 6 March 2024 the Council approved its Net Revenue Budget for 2024/25. The net revenue expenditure budget of £239.280m (£216.894m in 2023/24) was funded by Retained Business Rates and Grant Funding of £134.418m (£122.744m in 2023/24), other Government Grants of £33.155m (£26.092m in 2023/24) and Council Tax receipts of £71.707m (£68.058m in 2023/24).

Financial performance against the approved service budgets has been monitored and reported to Members throughout the year. The final 2024/25 Budget Monitoring Report to the Cabinet on 11 June 2025 confirms that a balanced position was achieved at the end of the year - an improvement of £0.404m since the Quarter 3 forecast was reported to the Cabinet on 12 February 2025.

Within the overall position there are a number of significant variances against Council service budgets which have been monitored throughout the year. The main component is a final deficit of £0.559m in Children's Services arising from significant increases in spending on Home to School Transport provision as a result of additional demand and inflation. Whilst this remains a concern, it should also be noted that the balanced position on Children's Social Care placements represents a significant improvement compared to previous years. This demonstrates the importance of the £11m increase in funding allocated by the Council in 2024/25 to meet demand and cost pressures, and also the effectiveness of the Council's commitment to managing the increasing pressures in this area.

The Children's Services deficit is offset by surpluses across all other service areas – which demonstrates the continuing effectiveness of actions being taken by service managers, with support and expertise from the Finance Service, across the Council to manage budget pressures, and the continued contribution of Council-wide restrictions on non-essential expenditure. The Council's continued commitment to strong financial management has provided the long-term financial resilience which is needed to cope with the challenging financial climate in which the Council is operating.

##### **Ofsted**

Ofsted inspected the Council's Children's Social Care Services between 18 and 29 November 2024. The overall judgement was that the services were found to be inadequate. The Council has appointed a long term interim Executive Director of Children's Services who has experience of improving Local Authorities whose Children's Social Care Services have been judged to be inadequate. A comprehensive improvement journey has commenced, which includes the development of an Improvement Plan which has been submitted to the Department for Education and published on the Council's website.

The Council has adopted a 'whole Council' approach to improvements in Children's Social Care to ensure that the improvements are sustainable. It is acknowledged that the improvement journey is being undertaken within a context of significant challenges currently facing all local authorities - such as a lack of social workers nationally, high agency costs, and lack of appropriate placements and foster carers for those children who need to be cared for by the Local Authority.

The Children's Services Improvement Board benefits from being independently chaired by the Department for Education Advisor Anthony Douglas CBE, who has extensive experience working with Local Authorities on an improvement journey. The membership of the Improvement Board includes senior officers from across Children's Services and the wider Council, Elected Members and partners (including the Police, schools and health) to drive forward the required improvements and monitor progress against the Improvement Plan implementation.

Ofsted will undertake Monitoring Visits on a quarterly basis over the next two years to provide a view on how the Council is progressing in terms of its improvement journey. The first of these visits took place on 16 and 17 September 2025 where the Inspectors noted that:-

- there have been significant changes in senior and corporate leadership to support a renewed focus on improvement planning;
- staffing capacity has been bolstered across the service at senior and frontline levels, including the development of a new court team and additional child protection workers;
- changes and improvements to the quality assurance framework have been made at pace;
- new systems and forums have been developed to support a stronger line of accountability, with leaders monitoring, challenging and improving performance;
- leaders have welcomed external scrutiny from their sector-led improvement partner, which has supported the workforce to recognise and respond to the risk of harm more effectively;
- there are now robust governance arrangements in place to support oversight of progress against the improvement plan, and political and corporate support for children's services are strong;
- most children who are referred to early help services or stepped down from child in need or child protection teams have the right thresholds of need applied;
- early help assessments are mostly timely, thorough and include the views of the family and the child, and early help plans are comprehensive and child-focused;
- most contacts into the multi-agency safeguarding hub (MASH) are made in a timely way by partners and they receive a prompt response. In addition, for most children, threshold decisions in the MASH are appropriate, meaning they receive the appropriate level of support; and
- social workers in Knowsley describe managers and senior leaders as being supportive and accessible.

Positive feedback has also been received from Anthony Douglas CBE, who has stated that he has "*been consistently impressed by Knowsley's approach to its improvement journey*".

Areas still to be addressed include the response to domestic abuse (although the Inspectors did note that there had been some improvements in this respect but there was still more to be done) and private fostering arrangements. Action plans to address these areas are included in the Improvement Plan and are being prioritised.

### **Statutory Officer Reporting**

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

### **The Knowsley Offer**

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

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

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

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

### **Service Complaints and Compliments**

The recording, monitoring, and reporting of complaints and compliments is integrated under the Council's "Have Your Say" policy and procedure. The approach divides complaints and compliments between three broad categories - Adult Social Care, Children's Social Care, and other Council services. Overall, 588 complaints were received, 49% of which were upheld or partially upheld on review. In the previous year, the Council received 1019 complaints, 37% of which were upheld or partially upheld. The Council received 120 compliments for the year through the Have Your Say process. There are many other compliments received through different channels and directly to services.

On 17 July 2024, the Local Government and Social Care Ombudsman issued, and subsequently published, the Council's 2023/24 Annual Review Letter. The content of the Annual Review Letter was reported to the Governance and Audit Committee in September 2024 (see [Agenda](#)).

## **Internal Audit Activity**

As an independent and objective assurance function, the Council's Internal Audit service completed a programme of reviews throughout 2024/25 providing an opinion on internal control, risk management, and governance arrangements. Where appropriate, the audit review also considered whether value for money was being obtained. The Internal Audit Team complies with the professional practices of the Public Sector Internal Audit Standards. The standards have been fundamentally reviewed by the Institute of Internal Auditors. A new set of Global Internal Auditing Standards, and a UK Public Sector Application Note issued by CIPFA, were effective from April 2025.

The Internal Audit Operational Plan 2024/25 was submitted to the meeting of the Governance and Audit Committee on 11 March 2024. Full details of the audit work undertaken during the year were reported to the Council's Governance and Audit Committee in June 2025. The report confirms that, during 2024/25, Council systems were working in an efficient and effective manner. The audit work during the year continued to focus on the Council's key financial systems, including the development of the new Oracle HR / Payroll system. A range of planned audits were completed providing post payment assurance in relation to several government grants.

A series follow up audits were completed in relation to a number of Strategic Audit reviews that were undertaken in 2023/24 to provide assurance that the recommendations had been implemented. For example, declarations of interests, gifts and hospitality; Climate Change agenda, Contract Waivers, Extensions and Ratifications and the Council's decision-making processes. Good progress has been made on implementation of recommendations.

Procedures and guidance for gifts, hospitality, and declarations of interest for officers have been strengthened, and the reporting system has been improved and streamlined to assist officers when making declarations. As of May 2025, there were still a number of declarations outstanding. Many of these related to new starters, therefore the requirement to declare interests was included in the corporate induction process from May 2025. In addition, further training was provided to officers in August and September 2025 via team briefings, and the majority of outstanding declarations have now been recorded. Declarations continue to be monitored, and technology has been utilised to increase returns (for example the use of software to require Council IT users to return a declaration and the use of tablets for operational staff without access to computers).

A similar audit was conducted in 2024/25 in relation to declarations that have been made by Members. There were no key issues identified as five medium priority recommendations were reported. This audit has been followed up with training being reviewed to ensure it remains fit for purpose and reminders for Borough Councillors being issued.

Following an audit of the governance arrangements for land and property disposals undertaken in 2023/24, a further audit was conducted in 2024/25 which focused on acquisitions. The audit has highlighted good governance and processes in relation to acquisitions – however there is a need for a more co-ordinated approach to be taken across various Council services to improve overall management and co-ordination of the Council's property portfolio. Further Strategic reviews of overtime, recruitment of agency workers and consultants were nearing completion in 2024/25 and will be reported in 2025/26.

For the remainder of the Council's significant activity, assurance can be obtained from the systems and processes outlined in this statement and the audit coverage of these systems and processes during the year. Audit work undertaken covered a range of the key risks within the organisation and, combined with other sources of assurance, considered the arrangements for governance, risk management and control over key corporate risks. The extent of audit work in 2024/25 was lower than planned due to unfilled vacant posts within the team, which means that the Chief Internal Auditor is able to provide only a moderate assurance opinion. However, it should be noted that this is due only to the limited volume of work that could be undertaken and does not reflect any particular areas of concern identified

by that work. None of the individual audit reports completed during the year were rated as “Limited Assurance”; no “Critical Priority” recommendations were identified; and no major or significant risk-rated findings were identified. Follow up work was also undertaken to establish the status of previous audit recommendations, which confirmed that for the large majority of recommendations the recommended actions had been implemented within agreed timescales. Therefore, for the audit work that was undertaken during the year a substantial level of assurance has been provided.

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

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

To give assurance to school governors that there is secure financial management in place, schools complete annually the Schools Financial Value Standard self-assessment, which is available to the Council. These returns were reviewed by Internal Audit and were consistent with the most recent audits undertaken. Of those 13 schools audited during 2024/25 there were no schools where systems provided moderate or limited assurance that internal controls were effective. However, recommendations have been made which, if implemented, will ensure that the systems are fit for purpose.

### **Information Security and Data Handling**

Regarding information security and data handling, the Assistant Executive Director (Legal and Governance) is designated as the Senior Information Risk Owner, whose role provides a focal point for resolving information risk issues and investigating data security breaches. Further, the Council employs a Data Protection Officer and has established an Information Governance Team (which sits within Legal Services) who lead on training, implementation and oversight of the Council’s data protection responsibilities and delivery of the Council’s paperless office programme. There have been eight notifiable data breaches (where the Council had been responsible for the data breach) reported to the Information Commissioner’s Office in 2024/25. All data breaches reported resulted in no further action.

### **Other Risks**

Increased demand across Children’s Social Care services presents financial risk in terms of costs of care packages and sufficiency of placements. Alongside this, the challenges to recruit sufficient numbers of experienced social workers presents risks around consistency and quality of practice. A Workforce Action Plan, focused on the recruitment and retention of staff and linked to the wider Knowsley People Strategy, has been developed to assist in managing these risks with “workforce objectives” being a key objective in the Council’s improvement journey in relation to Children’s Social Care.

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

## 5. Conclusion

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

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

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

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

## 6. Significant Internal Control Issues

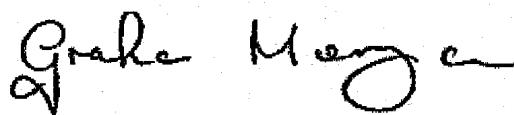
Although there are no significant internal control issues identified in this Statement, we propose to undertake the actions identified in the attached plan (see Appendix 3) over the coming year to enhance our governance arrangements further.

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

Any matters arising from the review of this draft Statement over the coming months will be reflected when the final Statement is considered by the Governance and Audit Committee for approval.

Signed on...26 January 2026.....

**Councillor Graham Morgan**



**Leader of the Council**

**James Duncan**



**Chief Executive**

## Knowsley Council Corporate Governance Framework

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

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

## UPDATE ON 2024/25 ACTION PLAN

Action No.	2024/25 Actions identified	Action undertaken during 2024/25	Comments
(1)	To continue to undertake an annual review of the Risk Register, to be reported to the Governance and Audit Committee in 2024/25 in order to provide an update on the actions to mitigate risks and to confirm the identification of any new risks.	The Governance and Audit Committee reviewed the strategic risk register at its meeting held on <a href="#"><u>10th March 2025 - Item 5</u></a>	The review indicated that the majority of the risks facing Knowsley are not significantly different to those facing many local authorities across the country, and the Council continues to do all that it can to manage its strategic risks as effectively as possible.
(2)	To continue to review the implementation and effectiveness of the Knowsley 2030 Strategy which focuses on reducing inequalities in Knowsley.	<p>The Knowsley Better Together Board sets the overall strategic direction for the borough through the shared long-term Knowsley 2030 Strategy. The Board is the key governing body that approves the Strategy and provides oversight to ensure its collective goals are achieved.</p> <p>Regular performance and progress reports were submitted to the Board at the following meetings:-</p> <ul style="list-style-type: none"> <li>• <a href="#"><u>27 February 2024 (minute 12 refers)</u></a></li> <li>• <a href="#"><u>5 February 2025 (Item 3 refers)</u></a></li> </ul>	
(3)	To continue to monitor the impact of inflation and the cost of living crisis on Council budgets and ensure that appropriate budget management and review plans are in place to address such pressures in a timely manner.	Regular budget monitoring has been reported to Members throughout the year. This has focused on the impact of cost and demand related financial pressures. The final 2024/25 Budget Monitoring Report to the Cabinet on 11 June 2025 confirms that a balanced position was achieved at the end of the year - an improvement of £0.404m since the Quarter 3 forecast was reported to the Cabinet on 12 February 2025.	Budget monitoring will continue in 2025/26 with a continued focus on strong financial management in all areas of the budget.

(4)	To agree the new Knowsley Council Plan and develop and deliver “Journey 2” to align with this.	<p>The Knowsley Council Plan 2025-2030 was agreed by Full Council on 5 March 2025 with the vision “Supporting Knowsley Residents to Thrive”. In addition, initial scoping has taken place for “Journey 2” to bring the new Knowsley Council plan, information about the Borough and the new People Strategy to life. This will be developed and launched by April 2026 (subject to securing appropriate space as part of the Huyton campus re-development to do this).</p>	
(5)	To further develop the New Managers Programme/Bootcamp including co-designing leadership expectations and launching a new leadership portal.	<p>A leadership portal has been developed and is live on Bertha (the Council’s intranet site). The leadership expectations have been co-designed and reviewed in line with the vision for the People Strategy. Following agreement, these will be launched through a new leadership programme by April 2026.</p>	
(6)	To continue to review the implementation of Workforce Planning across all services and to align this with the opportunities provided by the Workforce Development Team to encourage internal growth and skills retention in a very competitive marketplace. In addition, to develop for implementation a new approach to talent management.	<p>A pilot of succession planning, workforce planning and career conversations has launched in some departments before a wider rollout to help develop, retain and attract talent and bridge skills gaps.</p>	
(7)	To embed the integrated Human Resources and Payroll system (introduced in April 2023) and begin to identify opportunities to further maximise its benefits.	<ul style="list-style-type: none"> <li>• The Oracle HCM system is now in place and embedded. To date, 25 payroll runs have been successfully completed using the new system.</li> <li>• When the system was implemented some processes, such as submitting claims for additional hours still required manual</li> </ul>	

		<p>intervention. These processes have in the main now been automated, removing administration intervention and improving audit controls. Plans are in place to phase out remaining administrative processes over the next few months.</p> <ul style="list-style-type: none"> <li>• Notifications in the system have been improved to strengthen audit controls such as notifying employees if changes are made to their bank account details.</li> <li>• Improvements continue to be made within the system to improve user experience, including phased introduction of Redwood which improves look and useability.</li> <li>• Reporting continues to be developed, with HCM linked to the Line Manager dashboard and creation of line manager reports to help managers by providing key data to support manager actions.</li> </ul>	
(8)	To complete the second phase of the audit of Children and Families' paper records held at Stretton Way and implement any actions arising.	<p>The second phase of the Children Social Care paper records audit is close to completion, greatly assisted by the temporary provision of additional Business Support Assistant officer support. However, work has had to be paused temporarily due to a lack of resource within the team. The intention is for this work to resume later in the year following a recruitment exercise to fill two vacant posts.</p>	

(9)	<p>To continue to data cleanse the data set that will feed the 'Papyrus' end-to-end corporate electronic paper records management system and continue a phased roll out.</p>	<p>The Papyrus project remains a work in progress and is nearing completion. Children Social Care records are being uploaded and that process is near to completion.</p> <p>IT is being supportive in fixing bugs as they are detected to ensure file locations are displayed correctly.</p> <p>A data cleansing exercise is currently underway.</p>	
(10)	<p>To establish and deliver an effective Improvement Plan in respect of Children's Social Care Services.</p>	<p>A Children's Services Improvement Plan has been developed and submitted to the Department for Education. A copy of the plan can be viewed <a href="#">here</a>.</p>	<p>The Children's Services Improvement Board, chaired by the Department for Education Advisor Anthony Douglas CBE, meets regularly in order to drive forward improvement and monitor progress against the improvement plan implementation.</p>

## 2025/26 ACTION PLAN

Action No.	2025/26 Actions identified	Responsible Officer(s)
(1)	To complete the review of the Council's approach to risk management, including the frequency of reports to the Governance and Audit Committee and the number of strategic risks included on the register.	Head of Policy and Performance
(2)	To continue to review the implementation and effectiveness of the Knowsley 2030 Strategy which focuses on reducing inequalities in Knowsley.	Head of Policy and Performance
(3)	To continue to monitor the impact of inflation and the cost of living crisis on Council budgets and ensure that appropriate budget management and review plans are in place to address such pressures in a timely manner.	Head of Finance
(4)	To review the implementation of the new Knowsley Council Plan and continue to develop "Journey 2" to align with this with a view to launching "Journey 2" by April 2026.	Head of Policy and Performance, and Head of Workforce
(5)	To review the Managers' Programme and the implementation of the leadership expectations, with the leadership programme to be launched by April 2026.	Head of Workforce
(6)	To review the pilot of succession planning, workforce planning and career conversations with a view to this being rolled out across the Council to help develop, retain and attract talent and bridge skills gaps.	Head of Workforce
(7)	To continue to develop the integrated Human Resources and Payroll system (introduced in April 2023) and further maximise its benefits.	Head of Workforce
(8)	To continue the second phase of the audit of Children and Families' paper records held at Stretton Way and implement any actions arising.	Head of Legal Services and Information Governance
(9)	To continue to data cleanse the data set that will feed the 'Papyrus' end-to-end corporate electronic paper records management system and continue a phased roll out.	Head of Legal Services and Information Governance
(10)	To continue to monitor the implementation and effectiveness of the Children's Services Improvement Plan.	Head of Assurance and Delivery
(11)	To re-run the Employee Recognition event and carry out a further whole staff survey with a view to recognising performance and achievement and supporting continuous improvement and development.	Head of Workforce

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

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

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

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

Financial Management Code					
Leadership	Accountability	Transparency	Standards	Assurance	Sustainability
The leadership team demonstrates that the services provided by the Council provide value for money.	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2018).	The Council has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	The Council complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	The financial management style of the Council supports financial sustainability and resilience.
The Council complies with the CIPFA Statement on the role of the Chief Finance Officer in Local Government.	The Chief Financial Officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the Council complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the UK	The Council uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions.	The Council complies with its statutory obligations in respect of the budget setting process.	The Council has carried out a credible and transparent financial resilience assessment.	The Council understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.		The budget report includes a statement by the Chief Financial Officer on the robustness of the estimates and a statement on the adequacy of financial reserves.	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	The Council has a rolling multi-year medium-term financial plan consistent with sustainable service plans.