

# Joint Meeting of the Audit & Risk and Governance Committees



**17 July 2024 at 6.15pm**

**Council Chamber, Civic Centre, Chelmsford**

## **Membership**

Councillors

N. Bugbee, H. Clark, N. Dudley, D. Eley, I. Fuller, K. Franks, B. Massey, S. Rajesh, J. Raven, M. Sismey, A. Sosin, J. Sosin, M. Steel, N. Walsh, R. Whitehead, and S. Young.

Local people are welcome to attend this meeting, where your elected Councillors take decisions affecting YOU and your City. There will also be an opportunity to ask your Councillors questions or make a statement. However, numbers must necessarily be restricted owing to distancing requirements and if you wish to attend you will need to obtain an admission pass beforehand. To apply for an admission pass or find out more about attending please email [dan.sharma-bird@chelmsford.gov.uk](mailto:dan.sharma-bird@chelmsford.gov.uk) or telephone on Chelmsford (01245) 606523

# Joint Audit and Governance Committee

17 July 2024

## AGENDA

### 1. Election of Chair

### 2. Apologies for Absence and Substitutions

### 3. Minutes

To consider the minutes of the joint meeting held on 21 June 2023.

### 4. Declaration of Interests

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

### 5. Public Question Time

Any member of the public may ask a question or make a statement at this point in the meeting. Each person has two minutes and a maximum of 15 minutes is allotted to public questions/statements, which must be about matters for which the Committee is responsible.

The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

Any member of the public who wishes to submit a question or statement to this meeting should email it to [committees@chelmsford.gov.uk](mailto:committees@chelmsford.gov.uk) 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting.

### 6. Announcements

7. Local Code of Corporate Governance and Draft Annual Governance Statement 2023/24

8. Urgent Business

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency.

## MINUTES OF THE JOINT MEETING OF THE AUDIT AND RISK AND GOVERNANCE COMMITTEES

held on 21 June 2023 at 7pm

Present:

Councillors N. Bugbee, D. Clark, H. Clark, C. Davidson, N. Dudley, D. Eley, K. Franks, I. Grundy, B. Knight, J. Potter, A. Sosin, J. Sosin, M. Steel and N. Walsh

Also in attendance - Parish Councillor Jackson  
Independent Persons, Mr Jeremiah, Mr Lamb and Mrs Mills

### 1. Election of Chair

RESOLVED that Councillor N Walsh be elected as Chair of the joint meeting. At this point Councillor Walsh took the Chair.

### 2. Apologies for Absence and Substitutions

Apologies for Absence were received from Councillors Rajesh and Raven and the Independent Person Mrs Gosling.

### 3. Minutes

The minutes of the meeting held on 15 June 2022 were agreed as a correct record and signed by the Chair.

### 4. Declaration of Interests

All Members were reminded to declare any Disclosable Pecuniary interests or other registerable interests where appropriate in any items of business on the meeting's agenda. None were made.

### 5. Public Question Time

No questions were asked or statements made.

### 6. Announcements

No announcements were made.

### 7. Review of the Local Code of Corporate Governance and Annual Governance Statement 2022/23

Members considered a report on the updated Local Code of Corporate Governance and the Annual Governance Statement 2022/23, which the Council's procedures required be approved at a joint meeting of the Audit and Risk and Governance Committees. The Code, which formed part of the Council's ethical framework, showed how it complied with the seven core principles for managing its governance

arrangements set out in the CIPFA (Chartered Institute of Public Finance and Accountancy)/SOLACE (Society of Local Authority Chief Executives) guidance.

The Code set out the criteria on which the Annual Governance Statement was based. The Statement in turn examined the measures in place to ensure that the Council had effective governance, risk management and internal control processes and was used to identify any shortcomings in those areas. The Statement highlighted those areas of governance regarded as important in 2022/23, how they were addressed and the progress made.

The Committee was also informed of some ongoing concerns which included the national delays in completing Local Government audits. Members were also informed that paragraph 3.9 of the Annual Governance Statement, covered actions taken in 2022/23, which included a review of financial rules and cyber security arrangements. Paragraph 3.10 listed areas for improvement within 2023/24, which included, the monitoring of the counter fraud action plan and the implementation of cyber security recommendations.

RESOLVED that

1. the updated Local Code of Corporate Governance 2022-23 and the Draft Annual Governance Statement 2022-23 be approved and;
2. The Draft Annual Governance Statement be published with the statement of accounts.

## 8. Urgent Business

There were no matters of urgent business brought before the Committee.

The meeting closed at 7.05pm.

Chair

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# Chelmsford City Council Joint Governance and Audit & Risk Committee

**17<sup>th</sup> July 2024**

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## **Local Code of Corporate Governance and Draft Annual Governance Statement 2023/24**

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Report by:

Legal and Democratic Services Manager

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Officer Contact:

Lorraine Browne, Legal and Democratic Services Manager

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### Purpose

To present the updated Local Code of Corporate Governance and Draft Annual Governance Statement 2023/24 for Committee's approval.

### Recommendations

The Joint Committee is requested to approve the updated Local Code of Corporate Governance and the Draft Annual Governance Statement 2023/24 for publication with the Statement of Accounts.

#### 1. Introduction

- 1.1. The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.2. In order to achieve effective corporate governance, the Council has adopted the guidance contained in the Guidance and Framework documents published by CIPFA/SOLACE 'Delivering Good Governance in Local Government' which identifies seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain

a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

1.3. These seven principles are:

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

1.4. The Local Code of Corporate Governance sets out the framework of policies, procedures, behaviours and values by which Chelmsford City Council is governed, and describes how the organisation complies with each of the core principles to deliver the best outcomes for the local communities it represents, and to ensure effective governance across the organisation.

1.5. The Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts and will be signed by the Chief Executive and the Leader of the Council.

1.6. In line with the CIPFA/SOLACE framework, the AGS is “an open and honest self-assessment” of the Council’s performance across all of its activities and:

- Describes the key elements of the Council's governance arrangements during 2023/24, covering all corporate systems and the range of activities for which the Council is responsible
- Identifies the evidence available where improvements have been made and focusses on examples of good practice
- Describes processes applied in reviewing their effectiveness
- Lists actions proposed to provide more effective governance arrangements

1.7. The AGS will be reviewed as part of their external audit process. Should any significant issues arise during the external audit, the AGS may be revisited to ensure it accurately reflects the situation.

## 2. Conclusion

The Local Code of Corporate Governance and the AGS 2023/24 reflects the governance arrangements for the Council, and accordingly the task of approving the AGS falls jointly on the Governance and Audit & Risk Committee. This approach reflects good practice in aligning the work of the committees with responsibility for monitoring governance in the authority.

**List of appendices:** Local Code of Corporate Governance (Appendix A) and Draft Annual Governance Statement 2023/24 (Appendix B)

**Background papers:** None

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### Corporate Implications

**Legal/Constitutional:** Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 require that the Council must conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement, which must be considered and approved by Committee. The Annual Governance Statement has to be approved prior to approving the Council's Statement of Accounts.

**Financial:** Failure to have appropriate governance arrangements puts the Council financial management in a weakened position and therefore increases the risk of failing to deliver Our Chelmsford Our Plan.

**Potential impact on climate change and the environment:** None

**Contribution toward achieving a net zero carbon position by 2030:** None

**Personnel:** None

**Risk Management:** Inadequate governance arrangements in the Council may impact on the Council's ability to sufficiently mitigate its Principal Risks, which may impact on the Council's financial position/reputation.

**Equality and Diversity:** None

**Health and Safety:** None

**Digital:** None

**Other:** None

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**Consultees:** Management Team noted and endorsed the Local Code of Corporate Governance and Draft Annual Governance Statement in May 2024.

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**Relevant Policies and Strategies:** None

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# Local Code of Corporate Governance 2023/24

## Introduction

Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Chelmsford City Council is committed to the practice of good governance; ensuring good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users.

## The Principles of Good Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business, to support the publication of an Annual Governance Statement.

The CIPFA/SOLACE guidance *Delivering Good Governance in Local Government* identifies seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

These seven principles are:

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

**Core Principle B** – Ensuring openness and comprehensive stakeholder engagement

**Core Principle C** – Defining outcomes in terms of economic, social and environmental benefits

**Core Principle D** – Determining the interventions necessary to optimise the achievement of the intended outcomes

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

**Core Principle F** – Managing risks and performance through robust internal control and strong public financial management

**Core Principle G** – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Chelmsford City Council's Local Code of Governance has been prepared in accordance with the CIPFA/SOLACE Guidance. The following section describes how Chelmsford City Council complies with each of the core principles and the supporting principles to deliver the best outcomes for the local communities it represents.

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

**Summary:** The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principle	Evidence
<p><b>1. Behaving with Integrity</b></p> <ul style="list-style-type: none"> <li>- Ensuring councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council.</li> <li>- Ensuring councillors take the lead in establishing specific standard operating principles or values for the Council and its staff and that these are communicated and understood. These should build on the Seven Principles of Public Life (also known as the Nolan Principles)</li> <li>- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.</li> <li>- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</li> </ul> <p><b>2. Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>- Seeking to establish, monitor and maintain the organisation’s ethical standards and performance</li> <li>- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</li> <li>- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.</li> </ul> <p><b>3. Respecting the Rule of Law</b></p> <ul style="list-style-type: none"> <li>- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>- Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.</li> <li>- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>- Dealing with breaches of legal and regulatory provisions effectively</li> <li>- Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Code of Conduct for Members</a></li> <li>- <a href="#">Code of Conduct for Officers</a></li> <li>- <a href="#">Constitution</a></li> <li>- <a href="#">Members &amp; Officers Registers of Interests and Gifts &amp; Hospitality</a></li> <li>- <a href="#">Annual reports of Committees (July) (Audit/Governance/Overview and Scrutiny)</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy 2023 and Action Plan</a></li> <li>- <a href="#">Modern Day Slavery Statement</a></li> <li>- <a href="#">Equality Duty and Gender Pay Gap</a></li> <li>- <a href="#">Whistle blowing Policy</a></li> <li>- <a href="#">Governance Committee</a></li> <li>- <a href="#">Task &amp; Finish Groups (example Nov 23)</a></li> <li>- <a href="#">Committee Minutes detailing declarations of interests</a></li> <li>- <a href="#">Procurement and Social Value Strategy</a></li> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Chelmsford Values</a></li> <li>- <b>Member Induction</b></li> <li>- <b>OurConversations</b></li> <li>- <b>Job Description/Specifications</b></li> </ul>

## Core Principle B – Ensuring openness and comprehensive stakeholder engagement

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

Supporting Principle	Evidence
<p><b>1. Openness</b></p> <ul style="list-style-type: none"> <li>- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</li> <li>- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</li> <li>- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</li> </ul> <p><b>2. Engaging comprehensively with institutional stakeholders</b></p> <ul style="list-style-type: none"> <li>- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>- Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit</li> </ul> <p><b>3. Engaging with individual citizens and service users effectively</b></p> <ul style="list-style-type: none"> <li>- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>- Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement</li> <li>- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account</li> <li>- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>- Taking account of the impact of decisions on future generations of taxpayers and service users</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Our Chelmsford, Our Plan</a></li> <li>- <a href="#">Overview &amp; Scrutiny Committee</a></li> <li>- <a href="#">Committee meetings open to the Public/Public Questions at Meetings</a></li> <li>- <a href="#">Committee Agendas sent to Parish Councils and Local press/ Minutes of Committee Meetings</a></li> <li>- <a href="#">Petition Scheme</a></li> <li>- <a href="#">Online Customer Service contact forms/ Online website feedback forms</a></li> <li>- <a href="#">Comments, Compliments and Complaints system</a></li> <li>- <a href="#">Statement of Accounts</a></li> <li>- <a href="#">Consultation &amp; Engagement Strategy</a></li> <li>- <a href="#">Neighbourhood Plans and Village Design Statements</a></li> <li>- <a href="#">Consultations on Planning Policy</a></li> <li>- <a href="#">Access to Information</a></li> <li>- <a href="#">Meeting Agenda publication deadlines adhered to</a></li> <li>- <a href="#">Dates of Meetings published on website in advance</a></li> <li>- <a href="#">The Transparency Code</a></li> <li>- <a href="#">CityLife Website</a></li> <li>- Informal Cabinet and Chief Executive all-Member Briefings</li> </ul>

## Core Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

**Summary:** The long-term nature and impact of many of the Council's responsibilities means that it should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of the Council's authority and resources. Input from all groups of stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Supporting Principle	Evidence
<p><b>1. Defining outcomes</b></p> <ul style="list-style-type: none"> <li>- Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions</li> <li>- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>- Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>- Identifying and managing risks to the achievement of outcomes</li> <li>- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul> <p><b>2. Sustainable economic, social and environmental benefits</b></p> <ul style="list-style-type: none"> <li>- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>- Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Our Chelmsford Our Plan</a></li> <li>- <a href="#">Local Plan</a></li> <li>- <a href="#">Livewell Development Accreditation</a></li> <li>- <a href="#">Annual Statement of Accounts</a></li> <li>- <a href="#">Reports on Fairer and Greener and Safer Chelmsford</a></li> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Procurement and Social Value Strategy</a></li> <li>- <a href="#">Financial Rules</a></li> <li>- <a href="#">Contract Rules</a></li> <li>- <a href="#">Internal Audit Plan</a></li> <li>- <a href="#">Capital, Investment Treasury Management Strategies</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy 2023 and Action Plan</a></li> <li>- <a href="#">Equality Duty and Gender Pay Gap</a></li> <li>- <a href="#">Annual reports of Committees (July) (Audit/Governance/Overview and Scrutiny)</a></li> <li>- OurConversations</li> </ul>

## Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

**Summary:** The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that its desired outcomes are achieved in a way that provides the best trade-off between the various types of resource inputs, whilst still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principle	Evidence
<p><b>1. Determining interventions</b></p> <ul style="list-style-type: none"> <li>- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided</li> <li>- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li> </ul> <p><b>2. Planning interventions</b></p> <ul style="list-style-type: none"> <li>- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>- Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> <li>- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>- Ensuring capacity exists to generate the information required to review service quality regularly</li> <li>-Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</li> <li>- Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul> <p><b>3. Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>- Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>-Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>- Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> <li>-Ensuring the achievement of 'social value' through service planning and commissioning</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#"><u>Constitution</u></a></li> <li>- <a href="#"><u>Our Chelmsford Our Plan</u></a></li> <li>- <a href="#"><u>Corporate Risk Management Strategy and Framework</u></a></li> <li>- <a href="#"><u>Principal Risk Register</u></a></li> <li>- <a href="#"><u>Medium Term Financial Strategy</u></a></li> <li>- <a href="#"><u>Role of Statutory Officers</u></a></li> <li>- <a href="#"><u>Governance Committee</u></a></li> <li>- <a href="#"><u>Code of Conduct for Members</u></a></li> <li>- <a href="#"><u>Code of Conduct for Officers</u></a></li> <li>- <a href="#"><u>Committee Terms of Reference</u></a></li> <li>- <a href="#"><u>Officer Scheme of Delegation</u></a></li> <li>- <a href="#"><u>Protocol for Relations between Members &amp; Officers</u></a></li> <li>- <a href="#"><u>Complaints Procedure</u></a></li> <li>- <a href="#"><u>Regular Performance Reports to Overview &amp; Scrutiny Committee</u></a></li> <li>- <a href="#"><u>Procurement and Social Value Strategy</u></a></li> <li>- <a href="#"><u>Chelmsford Values</u></a></li> <li>- <a href="#"><u>Our Conversations</u></a></li> <li>- <a href="#"><u>Committee Reporting timetable</u></a></li> <li>- <a href="#"><u>Capital, Investment Treasury Management Strategies</u></a></li> </ul>

## Core Principle E – Developing the Council’s capacity, including the capability of its leadership and the individuals within it

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

Supporting Principle	Evidence
<p><b>1. Developing the Council’s capacity</b></p> <ul style="list-style-type: none"> <li>- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>- Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul> <p><b>2. Developing the capability of the Council’s leadership and other individuals</b></p> <ul style="list-style-type: none"> <li>- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority</li> <li>- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.</li> <li>- Ensuring that there are structures in place to encourage public participation</li> <li>- Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>- Holding staff to account through regular performance reviews which take account of training or development needs</li> <li>- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Constitution</a></li> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Officer Scheme of Delegation</a></li> <li>- <a href="#">Protocol for Relations between Members &amp; Officers</a></li> <li>- <a href="#">Apprenticeship Scheme</a></li> <li>- <a href="#">Internship Scheme</a></li> <li>- <a href="#">Chelmsford Values and Behaviours</a></li> <li>- <b>OurConversations</b></li> <li>- <b>Chief Executive Roadshow</b></li> <li>- <b>Departmental Meetings</b></li> <li>- <b>Staff Forum and Survey</b></li> <li>- <b>Officer Induction Programme and Corporate Welcome</b></li> <li>- <b>Member Training and Induction</b></li> <li>- <b>Job Descriptions</b></li> <li>- <b>Organisational Development Strategy (currently in draft)</b></li> </ul>



## Core Principle F – Managing risks and performance through robust internal control and strong public financial management

**Summary:** The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principle	Evidence
<ol style="list-style-type: none"> <li>1. <b>Managing risk:</b> Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making; Implementing robust and integrated risk management arrangements and ensuring that they are working effectively; Ensuring that responsibilities for managing individual risks are clearly allocated</li> <li>2. <b>Managing performance:</b> Monitoring service delivery effectively including planning, specification, execution and independent post implementation review; Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook; Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible or, for a committee system, encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making; Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement; Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</li> <li>3. <b>Robust internal control:</b> Aligning the risk management strategy and policies on internal control with achieving objectives; Evaluating and monitoring risk management and internal control on a regular basis; Ensuring effective counter fraud and anti-corruption arrangements are in place; Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor; Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</li> <li>4. <b>Managing data:</b> Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data; Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies; Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</li> <li>5. <b>Strong public financial management:</b> Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance; Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ol>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Risk Management Strategy and Framework</a></li> <li>- <a href="#">Principal Risk Register</a></li> <li>- <a href="#">Audit &amp; Risk Committee Minutes</a></li> <li>- <a href="#">Overview &amp; Scrutiny Committee Minutes</a></li> <li>- <a href="#">Regular performance reports to Overview &amp; Scrutiny Committee</a></li> <li>- <a href="#">Committee Agendas published before deadlines</a></li> <li>- <a href="#">Internal Audit reports to Audit Committee</a></li> <li>- <a href="#">Audit Plan</a></li> <li>- <a href="#">Capital and Revenue Monitoring reports to Audit &amp; Risk Committee</a></li> <li>- <a href="#">Treasury Management Committee and Strategy</a></li> <li>- <a href="#">Accessing Council Information</a></li> <li>- <a href="#">Data Protection – Privacy Policy</a></li> </ul>

## Core Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

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

Supporting Principle	Evidence
<p><b>1. Implementing good practice in transparency</b></p> <ul style="list-style-type: none"> <li>- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul> <p><b>2. Implementing good practice in reporting</b></p> <ul style="list-style-type: none"> <li>- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>- Ensuring members and senior management own the results reported</li> <li>- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>- Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</li> </ul> <p><b>3. Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>- Ensuring that recommendations for corrective action made by external audit are acted upon</li> <li>- Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Audit &amp; Risk Committee Minutes</a></li> <li>- <a href="#">Overview &amp; Scrutiny Committee Minutes</a></li> <li>- <a href="#">Governance Committee Minutes</a></li> <li>- <a href="#">Annual Internal Audit Report</a></li> <li>- <a href="#">External Audit Annual Audit Letter</a></li> <li>- <a href="#">Committee meetings open to the Public/Public Questions at Meetings</a></li> <li>- <a href="#">Committee Agendas sent to Parish Councils and Local press</a></li> <li>- <a href="#">Statement of Accounts</a></li> <li>- <a href="#">Comments, Compliments and Complaints system</a></li> <li>- <a href="#">Constitution</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy 2023 and Action Plan</a></li> <li>- <a href="#">Equality Duty and Gender Pay Gap</a></li> <li>- <a href="#">Whistleblowing Policy</a></li> <li>- <a href="#">Consultation &amp; Engagement Strategy</a></li> <li>- <a href="#">Petition Scheme</a></li> <li>- <a href="#">The Transparency Code</a></li> <li>- <a href="#">Accessing Council Information</a></li> </ul>



## **Review of the Code**

The Council's Code of Corporate Governance will be reviewed on an annual basis with a view to ensuring that:

- a) The Council's governance arrangements are adequate and operating effectively in practice, or
- b) If reviews of governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future

The Audit & Risk and Governance Committees, meeting jointly, will consider the annual review of the code in June each year.

## **Annual Governance Statement**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. This Code will help to ensure that proper arrangements are in place to meet that responsibility. As mentioned above, the Council will undertake an annual review of its governance to ensure continuing compliance with best practice.

In addition, an Annual Governance Statement will be presented in June each year to the Council's Audit & Risk Committee and Governance Committee meetings. The Statement will comprise an open and honest self-assessment of the Council's performance across all of its activities, with a clear statement of the actions being taken, or which are required, to address areas of concern.

In view of the importance of the Statement, it will be signed off on behalf of the Council by the Leader of the Council and the Chief Executive. It will then be published on the Council's website and in other ways as appropriate. Together with this Code, the Governance Statement will be amended as appropriate following its annual review to form an important part of the Council's Annual Statement of Accounts.

# ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

## 1. Scope of responsibility

- 1.1. Chelmsford City Council ('the Council') has a duty under the Local Government Act 1999 to make arrangements that ensure continuous improvement in the way it works in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that Council business is conducted in accordance with the law and that public money is safeguarded and properly accounted for.
- 1.2. To fulfil this responsibility, the Council must put in place proper arrangements for the governance of its affairs and carrying out its functions, which includes arrangements for managing risk.
- 1.3. The Council has approved and adopted a Code of Corporate Governance which is consistent with the seven principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government 2016*.
- 1.4. This statement explains how the Council has complied with the Code. It also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is "an open and honest self-assessment", which:
  - describes key elements of the Council's governance arrangements, covering key corporate systems and the range of activities for which the Council is responsible;
  - describes processes applied in reviewing their effectiveness, and
  - lists actions proposed to deal with significant governance issues identified.

## 2. The purpose of the governance framework

- 2.1. The governance framework comprises:
  - the systems, policies, processes, culture and values by which the Council is directed and controlled; and
  - the Council's activities through which it accounts to, engages with and leads the community.
- 2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to: identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage those risks efficiently, effectively and economically. The governance framework outlined in this document has been in place at Chelmsford Council for the year ended 31 March 2024.

### 3. The Governance Framework

- 3.1. The Council's Governance Framework is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance.
- 3.2. Key highlights from the Governance Framework in place at Chelmsford City Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

Good Governance Principle	Chelmsford Council Key Elements 2023/24
<p><b>Principle A</b>  <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>✓ Member and Officer Code of Conduct form part of the Council's <a href="#">Constitution</a>. The latest version of the Local Government Association's Model Code of Conduct for Councillors was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022.</li> <li>✓ All 57 serving city councillors have attended <a href="#">code of conduct training</a>. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023.</li> <li>✓ The Employee Code of Conduct was reviewed in light of the changes to the Member Code of Conduct to establish whether changes are necessary to bring the Employee Code of Conduct into alignment. The area of gifts and hospitality was specifically considered. The employee code was already similar to the LGA Model code and no changes were considered necessary (as reported to <a href="#">Governance Committee</a> in January 2023).</li> <li>✓ Following approval by Full Council in July 2022 of the reviewed and refreshed <a href="#">Council's Financial Rules</a> which form part of the Constitution, corresponding Practice Notes were updated in 2023. A review of the rules and practice notes is planned for 2025.</li> <li>✓ Policies and procedures on Member and Officer declarations of interests and of gifts and hospitality are available, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee received an update from the Monitoring Officer in <a href="#">March 2024</a> relating to declaration of interests and gifts and hospitality.</li> <li>✓ The Council's approach to counter-fraud was revised and refreshed in 2022, with responsibility moving to the Audit Services Manager, including the production of a new Counter Fraud Strategy to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy are set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training.</p> <p>✓ The whistleblowing policy is available to staff, key stakeholders and the general public <a href="#">via the Council's website</a>. A review of the Whistleblowing Policy was undertaken by the Monitoring Officer and reported to Governance Committee in January 2023 which confirmed the current policy is compliant with legislation. An <a href="#">Annual Whistleblowing Report</a> was provided to Governance Committee in October 2023 which noted that there were no concerns to report.</p> <p>✓ <a href="#">Service-related complaints</a> and <a href="#">complaints about a Councillor</a> can also be reported online. <a href="#">Governance Committee</a> continues to monitor complaints and investigations under the Standards regime and received the annual review of <a href="#">Complaints to the Local Government and Social Care Ombudsman</a> in October 2023.</p> <p>✓ The <a href="#">Council's Modern Slavery and Human Trafficking Statement</a> sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains. The Chelmsford Against Slavery Partnership (CASP) continues to work closely in partnership with law enforcement, charities and the voluntary sector in order to pledge to make Chelmsford a slavery free city. The Council will continue to raise awareness of, and disrupt, Modern Day Slavery practices within the Council's area, operations and supply chain. The CASP Steering Group provides updates to the One Chelmsford Board and Overview and Scrutiny Committee on its progress.</p> <p>✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible. This is set out in the Council's <a href="#">Social Value Procurement Policy and Strategy</a></p>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p><a href="#">2020-25</a>. An <a href="#">annual Procurement and Social Value update</a> was provided to Audit &amp; Risk Committee in December 2023.</p> <ul style="list-style-type: none"> <li>✓ The <a href="#">Articles of the Constitution</a>, define the Monitoring Officer’s role to ensure that all decisions comply with statutory requirements and are lawful.</li> <li>✓ Ethical Governance training was undertaken in relation to the adoption of the Model Code of Conduct during late 2022. Decision-Making awareness for Councillors Training was undertaken during 2021. Further training in relation to both elements was provided during the member induction process after May 2023 elections.</li> </ul>
<p><b>Principle B</b>  <b>Ensuring openness and comprehensive stakeholder engagement</b></p>	<ul style="list-style-type: none"> <li>✓ The Council has an FOI <a href="#">publication scheme</a> on its website and also publishes <a href="#">certain information</a> in line with the Local Government Transparency Code 2015. A review of the Council’s compliance with the Transparency Code is being undertaken during 2024. The Council also updates its FOI requests relating to Business Rates <a href="#">quarterly</a>.</li> <li>✓ The Council’s Annual Statement of Accounts is <a href="#">published online</a>.</li> <li>✓ Comprehensive <a href="#">Council Tax information</a> is available online</li> <li>✓ Council, Cabinet and Committee meetings are open to the public and guidance on attending and speaking at public meetings is available <a href="#">online</a>.</li> <li>✓ A <a href="#">calendar of meetings</a> ensures that timely reports are submitted to, published by and distributed by Legal and Democratic Services to ensure Members’ information needs, and relevant statutory deadlines, are met.</li> <li>✓ Notices of Key Decisions, <a href="#">Executive Decisions</a> and <a href="#">Urgent Decisions</a> are also issued in advance/made available online (as appropriate).</li> <li>✓ Further detail on stakeholder engagement is available in the <a href="#">Council’s Consultation and Engagement Strategy</a>.</li> <li>✓ The Monitoring Officer continues to provide guidance for Parish tier Councils on the standards regime. Two training sessions for parish-tier councillors were also facilitated in December 2023 with the second session being recorded for those who were not able to attend.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
<p><b>Principle C</b>  <b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p>	<ul style="list-style-type: none"> <li>✓ The Council's <a href="#">Local Plan</a> was adopted in May 2020. This sets out sustainable development objectives, policies and a Spatial Strategy to accommodate new development growth in the period to 2036. In accordance with national policy, a review of the plan is required at least every five years. To this end, an <a href="#">Issues and Options consultation</a> ran for 10 weeks to October 2022 to review the amount and potential locations for new development of homes, jobs and infrastructure, and areas for protection, such as open space and sites for wildlife which will cover the period to 2041. A consultation feedback document was published in February 2023 following consideration by Chelmsford Policy Board and a revision to the timetable to review the Local Plan was also agreed. Taking into account the consultation feedback, a Preferred Options Local Plan was agreed by Chelmsford Policy Board in March 2024 to be published for further public consultation in Spring 2024. A new Officer team was formed in July 2022 to deal with all planning matters relating to Chelmsford Garden Community.</li> <li>✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, from time to time the Council reviews and updates its Allocating and Spending CIL framework and publishes the document online. During 2023/2024 revised arrangements for spending CIL in the nine unparished wards and within the Garden Community were agreed at Cabinet. Spending arrangements will be kept under review, taking into account any changes to Government legislation.</li> <li>✓ The Council's <a href="#">Community Funding Scheme</a> is available to voluntary or community organisations who work for the benefit of Chelmsford residents. There are three different grant schemes: Discretionary Fund Grant; Neighbourhood Community Infrastructure Levy (CIL) Grant in unparished wards; and Greener Chelmsford Grant (which supports “green” community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan). Additional Council grants include Active Chelmsford (for projects or work aimed at engaging inactive residents of the Chelmsford district) and other CIL grants to external organisations that deliver the strategic infrastructure required to deliver the objectives of the Local Plan. During 2023/2024 Rural England Prosperity Fund grants were made available to business and community organisations in the rural area.</li> <li>✓ Following Full Council approval at its meeting in March 2022, the Council proceeded to make a formal legal order in August 2022 to create two new Parish tier Councils – Chelmer Village Council and Chelmsford Garden Community Council with effect from 1st April 2023. The Council</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>appointed representatives from the City Council and existing local parish councils to both shadow councils to assist with the initial set up of the new councils. Those shadow councillors became the first parish tier councillors from 1<sup>st</sup> April 2023 and remained in place until the election process was completed in early May 2023. A further formal legal order was made in February 2023 to deal with transfer of assets from existing parishes to the new councils. Both new Councils are now fully operational in the same way as other parish tier councils. Full details are <a href="#">here</a>.</p> <p>✓ <a href="#">Our Chelmsford, Our Plan</a> was updated in February 2024 and is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate.</p> <p>✓ The Council's strategic planning framework ensures that operational activities link to Our Chelmsford, Our Plan priorities. The Our Plan Action Plan breaks down strategic actions to measurable economic, social and environmental outcomes for monitoring.</p> <p>✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. The Council has also adopted the IHRA definition of antisemitism. The Council's activities in this field are monitored by the Anti-Racism Working Group which meets from time to time.</p> <p>✓ In line with the <a href="#">Public Sector Equality Duty</a>, the Council publishes equality information (including workforce and gender pay gap data) and has set equality objectives to continually improve services to ensure equal access for all customers, work effectively with under-represented communities, promote equality and diversity through working practices and recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community.</p>



Good Governance Principle	Chelmsford Council Key Elements 2023/24
<p><b>Principle D</b>  <b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<ul style="list-style-type: none"> <li>✓ Directors meet regularly with both their Cabinet Members and the Chief Executive to discuss progress in their respective areas of responsibility. Informal Cabinet sessions are also held regularly and the Chief Executive hosts regular all-Member Briefings.</li> <li>✓ The <a href="#">Financial Forecast</a> details the financial challenges for 2023/24 and the approach to deal with them. The financial planning takes account of Our Chelmsford, Our Plan objectives which informs the annual budget setting. The budget report to February 2023 Council updates the forecast deficits for five-year period for revenue and capital and identifies how the reserves and deficits will be managed.</li> <li>✓ Financial monitoring arrangements ensure that budget information is readily available to a variety of stakeholders to inform decision-making – including senior managers, Management Team and Cabinet Members, alongside formal reporting to Audit and Risk Committee at outturn, mid-year review to Cabinet and regular reporting to Cabinet members.</li> <li>✓ The Council undertook a self-assessment against the seven standards in CIPFA’s Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to <a href="#">Audit and Risk Committee in September 2023</a>,. The actions are being monitored by the Council’s S151 Officer.</li> <li>✓ The Council’s Performance is monitored as follows: <ul style="list-style-type: none"> <li>• A programme of deep-dive performance reviews is presented to <a href="#">Overview &amp; Scrutiny Committee</a> throughout the year, each review focussing on a specific area of Council activity. In 2023/24, these included: Cultural Strategy, Housing Delivery, Hylands Park Public Spaces Protection Order, Safer Chelmsford and preparation for the Theatre Refurbishment Task and Finish Group.</li> <li>• Overall progress in implementing Our Chelmsford, Our Plan Action Plan has previously been reported annually to Overview &amp; Scrutiny Committee in <a href="#">November</a> and key priorities from the Plan were identified by portfolio holders for quarterly reporting to the Policy Leadership Team (PLT). The new Our Chelmsford Our Plan was being developed during 2023/24 and progress reporting will be reinstated for 2024.</li> <li>• The Climate and Ecological Emergency Action Plan progress is reported <a href="#">annually</a> to Overview &amp; Scrutiny Committee.</li> </ul> </li> </ul>



Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> <li>• Health and Wellbeing Action Plan progress is reported quarterly to Livewell Chelmsford.</li> <li>• Operational PIs continue to be monitored locally.</li> </ul> <p>✓ <a href="#">Chelmsford Policy Board</a> (joint Members and Officer) Working Groups oversee implementation of the dedicated strategies and actions plans, recommending interventions to Cabinet as necessary. The Board receives updates from the Working Groups when there is significant progress to report.</p> <p>✓ <a href="#">Chelmsford Garden Community Delivery Board</a> is in place to oversee specific elements of the development of proposals for <a href="#">Chelmsford Garden Community</a>.</p> <p>✓ A Community Liaison Group is in place for Chelmsford Garden Community which allows local community groups and residents to be updated on progress of the development and provide their feedback on new projects and proposals.</p>
<p><b>Principle E</b>  <b>Developing the Council’s capacity, including the capability of its leadership and the individuals within it</b></p>	<p>✓ The Council’s <a href="#">Constitution</a> is available on the Council’s website and subject to ongoing review, as overseen by the Constitution Working Group.</p> <p>✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events, Mental Health First Aiders, the Employee Assistance Programme, Wellness action plans and weekly Our News articles.</p> <p>✓ The Council participates in a number of partnerships, including <a href="#">Safer Chelmsford</a>, <a href="#">South Essex Parking</a>, and works closely with Essex County Council on a number of initiatives: Mid Essex Children's Partnership Board, Essex Safeguarding Adults Board, Mid Essex Alliance and Chelmsford Youth Strategy Group.</p> <p>✓ Following recruitment of two further Independent Persons for Governance Committee as recommended for appointment at Annual Council in May 2023, the Governance Committee meeting in June 2023 included a training session for the entire committee for the new term of office post elections.</p> <p>✓ Two independent persons were appointed to Audit and Risk Committee during 2023/24 in line with recommendations made by the CIPFA Position Statement on Audit Committees.</p>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> <li>✓ All 57 serving city councillors have attended <a href="#">code of conduct training</a>. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023.</li> <li>✓ In December 2023, we rolled out an e-learning module “Inclusion, Equality &amp; Diversity” to staff with PC access. Created by TED Learning, the module provides staff with an understanding of the Equality Act, how it affects them as an employee and the business as an employer. To date (April 2024), 575 people have completed the e-learning and 69 people are due to complete this. We also delivered two half day classroom-based sessions in March 2024 which 57 people attended. Further sessions will be organised for those staff without PC access and this is currently being discussed with the relevant Service Managers/Directors. New starters with PC access are invited to complete the e-learning module within 2 months of joining. In addition to this staff can access further training on Equality at Work via the intranet and e-learning modules offered via Peninsula our H&amp;S consultants.</li> <li>✓ Carbon Literacy Training is being rolled out across the organisation during 2024 to make staff aware of the carbon dioxide costs and impacts of everyday activities, and the ability and motivation to reduce emissions, on an individual, community and organisational basis by explaining the science around climate change and how its affect globally and locally and developing the tools and knowledge to reduce the carbon impact on the Council.</li> <li>✓ Document Fraud Training was provided to key officers in September 2023. Wider anti-fraud and Corruption Training will be rolled out across the Council during 2024.</li> </ul>
<p><b>Principle F</b>  <b>Managing risks and performance through robust internal control and strong financial management</b></p>	<ul style="list-style-type: none"> <li>✓ The Council’s Risk Management Strategy recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council’s Principal Risks, aligned to Our Chelmsford, Our Plan objectives, each assigned to a Directorate lead. A full refresh was undertaken during 2023/24 and reported to Management Team and <a href="#">Audit &amp; Risk Committee</a> in March 2024.</li> <li>✓ The Internal Audit Annual Report to <a href="#">Audit &amp; Risk Committee</a> confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy Council’s governance, risk management and internal control arrangements.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>✓ The <a href="#">risk-based Internal Audit Plan</a> is aligned to Our Council, Our Plan objectives, the Council's Principal Risks and Fraud Risk Register.</p> <p>✓ Updates from the Council's VCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2023/24, including progress against suggested areas for developing organisational awareness, policy and process, preventative measures and staff development. A workshop based on the NCSC board toolkit, involving key stakeholders such as the Chief Executive, Management Team and Heads of Service was held in February 2024.</p> <p>✓ The Council's S151 Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances.</p> <p>✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to <a href="#">Audit and Risk Committee in September 2023</a>,. The actions are being monitored by the Council's S151 Officer.</p> <p>✓ The Council's approach to counter-fraud was revised and refreshed in 2022, with responsibility moving to the Audit Services Manager, including the production of a new Counter Fraud Strategy to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy are set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises.</p> <p>✓ Other processes which assist Internal Audit in detecting potential fraudulent activity include:</p> <ul style="list-style-type: none"> <li>• One of the criteria assessed when producing the risk-based annual audit plan is the risk of fraud as per the Council's Fraud Risk Register. In addition, all individual reviews are</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>aligned to the Council's Fraud Risk Register to independently assess anti-fraud controls in place.</p> <ul style="list-style-type: none"> <li>• Data Analytics have been used in 2023/24 to detect any anomalies with Accounts Payable with a specific focus on anti-fraud tests.</li> <li>• Reviews of Council processes/walk throughs etc should highlight any gaps in control and areas that are vulnerable to fraudulent activity.</li> <li>• Additionally, where concerns of fraud have been highlighted, investigations are carried out and review of the control framework is undertaken to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls.</li> </ul> <p>✓ The Counter Fraud Annual Report will be presented to Audit and Risk Committee in September 2024.</p> <p>✓ Chelmsford City Council is committed to high standards of health and safety management within a risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services. The Council uses external health and safety advisors to assist in managing the Council's high-risk services. The Council has a Health, Safety &amp; Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and carrying out measures to ensure and improve the health, safety and welfare at work of all employees. Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required, and an <a href="#">Annual Health and Safety Report</a> was provided to Audit &amp; Risk Committee in September 2023.</p> <p>✓ Business rates expanded reliefs and emergency grants were provided by the Government to support businesses and organisations during the pandemic. In March 2022, BEIS confirmed that the Council's activities in relation to the first tranche of grants between April 2020 and September 2020 had provided adequate assurance. In February 2024, BEIS confirmed they had successfully completed all their post-payment assurance activities in relation to the remaining COVID Business Support Grants.</p>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> <li>✓ In June 2023, the Audit &amp; Risk Committee were advised of the recently published CIPFA Position Statement for Audit Committees 2022. New additions to the Committee’s terms of reference were made as a result and other actions taken to ensure the Committee is operating in line with the updated guidance. These included: recruitment of co-opted Independent Members (completed Autumn 2023) and; completion of a Committee training needs assessment (Autumn 2023). A full self-assessment will be undertaken in 2024 to identify any further areas of improvement.</li> <li>✓ The <a href="#">annual update</a> to Members on RIPA arrangements was presented to Governance Committee October 2023, covering review of the Council’s RIPA Policies and training of key personnel.</li> <li>✓ An <a href="#">Information Governance Update</a> was presented to Governance Committee in October 2023 to provide an annual update on the Council’s approach to the assurance and management of information. The update covered the following areas: Statutory Requests, Data Breaches, Phishing Exercises, Training and Awareness, Cyber Security Review, Policies, Consents, Privacy Notices, Risk Management, Contracts and Data Protection Impact Assessments. A further update in relation to ongoing activity in these areas will also be presented to Governance Committee in Autumn 2024.</li> </ul>
<p><b>Principle G</b>  <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>✓ As detailed above, a vast array of information is accessible to the general public via the <a href="#">Council's website</a> in an understandable style appropriate to the intended audience.</li> <li>✓ The Council’s Corporate Governance Group continued to meet regularly during 2023/24 and included reviewing and updating the Annual Governance Statement, reviewing progress against the AGS action plan, collaborating and sharing governance updates and best governance practice from across the Council.</li> <li>✓ The <a href="#">Annual Governance Statement</a> is presented to the Leader and Chief Executive, approved by Joint Audit &amp; Risk and Governance Committee and published alongside the <a href="#">Statement of Accounts</a>.</li> <li>✓ Governance Committee, Audit &amp; Risk Committee, and Overview &amp; Scrutiny Committee report annually on their work to full Council.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> <li>✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council.</li> <li>✓ Potential issues in internal controls for strategic decision making were identified for review in March 2024. Internal audit will be undertaking an audit during 2024 and any recommendations will inform any future improvements to internal control arrangements as necessary.</li> </ul>

### Review of effectiveness

3.3. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of the senior Management Team who have responsibility for the development and maintenance of the governance environment
- the work of Cabinet and the Committees, including the Audit & Risk Committee, Governance Committee and Overview & Scrutiny Committee
- the work of the Corporate Governance Group who provide feedback to Management Team.
- the Internal Audit Annual Report
- comments made by the external auditors and other inspection agencies

3.4. As well as the annual review, the governance and control frameworks are maintained and reviewed by a series of comprehensive processes throughout the year. These include:

- A **robust Internal Audit function** where the planned work is based on identified key risk areas. The Council's Internal Audit Service arrangements conform to Public Sector Internal Audit Standards
- An **embedded reporting system for internal audit issues** that ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the Audit & Risk Committee.
- A **risk management process** which ensures the Principal Risks across the Council are captured and reported to Management Team and Members.
- A **comprehensive budget monitoring process** including access for senior managers to live financial information and latest budget forecasts, with quarterly reporting to Management Team and biannual reporting to Cabinet.

3.5. The outcome of the review is presented in 3.10 below, which detail areas for improvement during 2024/25.

### 3.6. Effectiveness of Other Organisations

- The Council acts as lead partner in the South Essex Parking Partnership (SEPP which carries out the on-street parking enforcement in Chelmsford, Basildon, Brentwood, Castle Point, Maldon and Rochford, on behalf of Essex County Council (ECC), the highways authority, through delegated responsibilities under a Joint Agreement first introduced in 2011 with a new agreement for a further term signed by all partner authorities in 2022. Signs and lines maintenance and new TRO's (Traffic Regulation Orders) are also provided by the Partnership. The Partnership has operated successfully, in accordance with the Traffic Management Act 2004 (TMA 2004), including timely production of an Annual Report and agreed Business Plan, and generation of a surplus during each year of operation.
- The One Chelmsford Board acts as Chelmsford's Responsible Authorities Group under the Crime and Disorder Act 1998, which is a statutory function. There are a number of other statutory partners: Chelmsford City Council, Essex Police, ECC, Essex County Fire and Rescue Services, Probation Services and Health (ICB – Integrated Care Board). The current chair is Chelmsford Council's Chief Executive and our member representative is the Leader of Chelmsford Council, plus all cabinet members and deputies are invited to attend. The group has a terms of reference and presents a finance report annually.
- The Council does not currently engage in commercial activities through trading subsidiaries or investment vehicles.

### 3.7. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The work undertaken during 2023/24 has enabled the Audit Services Manager to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. For the year-ended 31<sup>st</sup> March 2024, the opinion is that the adequacy and effectiveness of the Council's arrangements is *Moderate Assurance* – overall the Council's systems for control, risk and governance are generally adequate with some improvement required. Internal Audit reached this conclusion because medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or processes, and none of the individual assignment reports have an overall classification of critical risk and/or no assurance. The annual opinion given for 2022/23 was Moderate Assurance.

Following the discovery of the loss and recovery of two Victoria Cross medals from the Museum's Regiment Collection, Internal Audit carried out a review of Museum processes and internal controls. High priority findings were identified relating to record keeping and cataloguing. A full and detailed action plan has been produced by the Museum to assist with the implementation of recommendations made. Progress will be monitored by Internal Audit through 2024/25.

Any residual risks arising from all 2023/24 audit reviews will be closely monitored through the Internal Audit follow-up process in 2024/25. Further detail on audit outputs is provided in the Internal Audit Annual Report.



### 3.8. External Audit and Inspectorates

In the last 20 years the Council has published its accounts in-line with statutory deadlines with one exception in 2022/23 where the accounts were two weeks late. The delay being a result of having to restate pension accounts due to the failure of the external auditor to complete the previous year's external audit in a timely manner. There have been no qualifications made by its external auditor in over 20 years. The effectiveness of the external audit process has been weakened by a nationwide crisis in external audit provision. Across England only 1 in six audits have been completed on time. For the City Council like many Councils that means audits have failed to take place in over 2 years from the balance sheet date. External audit provides an essential independent challenge of a Council finances, however that challenge can only be truly effective when done in a timely manner. The issues are being addressed nationally and the intention is clear the backlog by 2028.

### 3.9. Review of Actions from 2022/23 Annual Governance Statement

Ref	2022/23 AGS	Action taken in 2023/24 to address the issue
GOV23_1	<b>Counter Fraud</b> - Monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered	<b>Ongoing.</b> Actions required to deliver and implement the Strategy are monitored through the Counter Fraud Strategy Action Plan.
GOV23_2	<b>Cyber Security</b> - Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated Cyber Security strategy and review all policies.	<b>Ongoing.</b> Updates from the Council's VCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2023/24, including progress against suggested areas for developing organisational awareness, policy and process, preventative measures and staff development. A workshop based on the NCSC board toolkit, involving key stakeholders such as the Chief Executive, Management Team and Heads of Service was held in February 2024.
GOV23_3	<b>Records Management</b> - To review current records management processes and develop action plans for the implementation of any changes that need to be made, including consideration of prioritisation, resources and timescales for implementation within services.	Some service-based activity has been undertaken including the role out of a legal case management system in May 2023 together with ongoing review of the team's paper-based records. New online systems for information requests and complaints records have also been developed. Further scoping of next steps will be undertaken.
GOV23_4	<b>Constitution/Policy Alignment</b> - To complete the review of any parts of the constitution that have not been reviewed within the last 4 years. This will include any practice or procedure notes.	<b>Complete.</b>



### 3.10. Areas for improvement or monitoring during 2024/25:

Ref	Area	Action to be taken in 2024/25	Responsible Officer
GOV24_1	<b>Counter Fraud</b>	Continue to monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered.	Audit Services Manager
GOV24_2	<b>Cyber Security</b>	Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated Cyber Security strategy and review all policies.	Digital Services Manager
GOV24_3	<b>Records Management</b>	Scoping of next steps in relation to records management processes to develop action plans for the implementation of any changes that need to be made, including consideration of prioritisation, resources and timescales for implementation within services and any corporate wide actions that may be taken.	Scoping by Legal and Democratic Services Manager. Service based activity by relevant Information Asset Owners
GOV24_4	<b>Strategic Decision Making</b>	To undertake an audit with a view to identifying and making recommendations as to any improvement in internal controls. Any recommendations to be actioned by the relevant person identified in the audit.	Audit Services Manager
GOV24_5	<b>New Complaint Handling Code issued by Local Government Ombudsman</b>	To consider the timing and arrangements for the adoption of the new Code issued by the LGSCO in February 2024.	Legal & Democratic Services Manager

#### 4. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and have been progressed.

Signed

Leader of the Council

Date:

Signed:

Chief Executive: Nick Eveleigh

Date: