JOINT MEETING OF THE AUDIT AND GOVERNANCE COMMITTEES

18 June 2019 at 7pm

Marconi Room, Civic Centre, Duke Street, Chelmsford

Membership

Councillors
H. Ayres, R.H. Ambor, K. Bentley, D.J.R. Clark, P.H. Clark, N.A. Dudley, C.L. Finnecy, D.G. Jones, J.S. Lardge, J.M.C. Raven, E.J. Sampson, M. Sismey, N.M. Walsh, M.D. Watson and I. Wright

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. If you would like to find out more, please telephone Daniel Bird in the Democracy Team on Chelmsford (01245) 606523
email daniel.bird@chelmsford.gov.uk, call in at the Civic Centre, or write to the address above.
Council staff will also be available to offer advice in the Civic Centre for up to half an hour before the start of the meeting.

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JOINT MEETING
OF THE
AUDIT AND GOVERNANCE COMMITTEES

18 June 2019

AGENDA

PART I

1.   **ELECTION OF CHAIRMAN**

2.   **APOLOGIES FOR ABSENCE**

3.   **MINUTES**

To receive the minutes of the joint meeting of the Audit and Governance Committees held on 20 June 2018

4.   **PUBLIC QUESTION TIME**

5.   **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.

6.   **REVIEW OF LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2018/2019**

7.   **URGENT BUSINESS**

PART II (EXEMPT ITEMS)

NIL

MINUTES

of the joint meeting of the

**AUDIT AND GOVERNANCE
COMMITTEES**

on 20 June 2018 at 7pm

Present:

Councillors R.H. Ambor, J.E. Chandler, J.A. Deakin, J. Galley, I.S. Grundy, P.V. Hughes, J. Jeapes G.B.R. Knight, R.J. Poulter, R.A. Ride, S.J. Robinson, G.I. Smith and M.D. Watson

Parish Councillors –

Councillor P.S. Jackson (Great Waltham Parish Council)

Also in Attendance -

Designated Independent Persons:
Mr. S. Anthony

1. **Election of Chairman**

   RESOLVED that Councillor R.J. Poulter be elected as Chairman of this joint meeting.

   At this point Councillor R.J. Poulter took the Chair.

2. **Apologies for Absence**

   Apologies for absence were received from Councillors C. Garrett and F.B. Mountain, Parish Councillors P.V. Brown and J. Saltmarsh and the Designated Independent Person C. Gosling. Councillors J. Jeapes and J.A. Deakin were appointed as the substitutes for Councillors C. Garrett and F.B. Mountain.

3. **Minutes**

   The Minutes of the joint meeting of the Audit and Governance Committees held on 21 June 2017 were confirmed as a correct record and signed by the Chairman.

4. **Public Question Time**

   No questions were asked or statements made by members of the public.

5. **Declarations 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.

6. **Review of Local Code of Corporate Governance and Annual Governance Statement 2017/18**

Members considered a report on the updated Local Code of Corporate Governance and the Annual Governance Statement 2017/18, which the Council's procedures required be approved at a joint meeting of the Audit and Governance Committees.

The Committee was informed that the CIPFA format had changed for last year's Annual Governance Statement and that this 2017/18 version followed the same format as last year's and that there had not been any significant changes to the document.

The Committee heard that the Chief Executive had introduced weekly statutory officer meetings for himself, the Monitoring Officer and the S151 Officer. The Committee heard that these had been introduced to allow the statutory officers to discuss current governance issues and to ensure that they were all up to date on any current or potential governance issues. The Monitoring Officer confirmed that these meetings had been very beneficial and provided a valuable opportunity to discuss key issues.

The Committee was informed that there had been no serious allegations of Councillor misconduct in 2017/18 and that one whistleblowing concern was still being considered by the external auditors. It was noted that the 2018/19 targets detailed in the Annual Governance Statement covered the Council's major projects and that the compliance for these would be looked at closely throughout the year. The Committee was informed that the Digital Transformation and Riverside redevelopment projects were subject to value for money reports by the external auditors and that these would be reported to the Audit Committee later in the year.

Following queries and comments from the Committee it was noted that;

- Training courses for Members were available through HR and that this was an area that had recently been looked at by a Task and Finish Group. It was confirmed that this was an area being looked at closely by officers especially with the likelihood of new members joining after the 2019 elections.
- The Citizens Panel had also been subject to a review by a Task and Finish Group and had recently been relaunched. The Committee heard that the panel now had over 600 Members and had been a valuable resource for the Council who were able to consult the members on upcoming issues or changes. It was noted that a quarterly newsletter was being sent to members of the panel and that the possibility of reconvening an annual meeting was being explored by officers.
- With regard to Paragraph 11.3 of the Annual Governance Statement, there was a concern that the Audit Plan was not being delivered on a Public Sector Internal Audit Standards compliant basis due to the fact it had not been subject to an EQA assessment. It was noted that this would be undertaken in July 2018. It was also confirmed that the Council's highest risks were now being focused on in the 2018/19 plan.
- The 'moderate assurance' level referred to in Paragraph 11.3 was developed from a tier of four levels ascending from no assurance to, limited assurance, to moderate assurance and then substantial assurance.
- With regard to paragraph 13.2 of the Annual Governance Statement, which detailed the important areas of governance for 2018/19, it was confirmed that Officers would explore the possibility of these being looked at by the Governance or Audit Committees. It was noted that the chief officers all had stakes in these targets and that their views would be sought on the matter with a report being taken to the next meeting of the Governance Committee.

The Committee agreed to delegate to the Director of Finance the authority to make any minor amendments to the Annual Governance Statement which may be required ahead of its final publication.

RESOLVED that;

1. The annual review of the Local Code of Corporate Governance is noted and the updated code attached as Appendix 1 is approved.

2. The Annual Governance Statement 2017/18 attached at Appendix 2 is approved for publication with the Statement of Accounts.

3. The Director of Finance after consultation with the Chairman of Audit or Governance Committee be granted authority to make any minor amendments to the Annual Governance Statement before its final publication.

7. **Urgent Business**

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

The meeting closed at 7.15 pm.

Chairman

Chelmsford City Council

JOINT MEETING OF THE AUDIT AND GOVERNANCE COMMITTEES
18 June 2019

AGENDA ITEM 6

Subject	REVIEW OF LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2018/2019
Report by	MONITORING OFFICER

Enquiries contact: Lorraine Browne, Legal and Democratic Services Manager, 01245 606560 lorraine.browne@chelmsford.gov.uk

Purpose
To present the updated Local Code of Corporate Governance and the Annual Governance Statement 2018/19 for the Committees' approval.

Recommendation(s)

1. The Joint meeting notes the annual review of the Local Code of Corporate Governance and approves the updated Code attached at **Appendix 1**

2. The Joint meeting approves the Annual Governance Statement 2018/19 attached at **Appendix 2** for publication with the Statement of Accounts

Corporate Implications	
Legal:	The Annual Governance Statement has to be approved prior to approving the Statement of Accounts which are being considered by Audit Committee on 24th July 2019. The Statement of Accounts have to be approved by 31st July 2019.
Financial:	None
Personnel:	None
Risk Management:	None
Equalities and Diversity:	None
Health and Safety:	None
IT:	None

Other:	None

Consultees	Director of Financial Services Director of Corporate Services Financial Services Manager Human Resources Manager
Policies and Strategies	
The report does not impact on any of the policies and strategies of the Council referred to in the report template	

1.   Background

1.1.   "Governance" is about how local authorities ensure they are providing the right services to the right people in a timely, open, honest and accountable manner.

1.2.   Under the Accounts and Audit Regulations 2015 all authorities are required to undertake a review of their governance arrangements each year. This process includes a review of the Council's Code of Corporate Governance and culminates with the production of an Annual Governance Statement (AGS).

2.   Local Code of Corporate Governance (the Code)

2.1   The Council's first Code was adopted on 24 April 2002 and has been reviewed each year since then. CIPFA/SOLACE are the responsible bodies for issuing guidance as to what the Code and the Annual Governance Statement in the form of a framework. New Guidance was issued in 2016 and changed the principles to be applied as well as how the documents should be reviewed.

2.2   That guidance now identifies seven core principles (A-G). The requirements of the new criteria are similar to the six set out in the earlier guidance but with greater emphasis on:
   i)   the need to identify evidence, or examples, as to how the Council has complied with them;
   ii)   how Councils engage with their communities, partners and others that affect the delivery of services; and
   iii)   continuous improvement by:
      a. interrogating the policies they adopt, the procedures they use for engaging with others on their formulation
      b. Monitoring progress
      c. Evaluating progress and identifying necessary changes; and
      d. Implementing such changes

2.3   The core principles are then divided into sub-principles to add greater explanation and context as to what should be included in each. The criteria and Sub-criteria are all clearly set out in the Code that appears at **Appendix 1.**

2.4   The Code provides the principles for managing the governance arrangements adopted by the City Council. It, therefore, sets the criteria on which the Annual Governance Statement is based, which are used to monitor how well we have achieved these objectives during the year.

2.5 The Code and the Annual Governance Statement have been reviewed by a group of officers including the Monitoring Officer and Chief Finance Officer (also known as the section 151 officer).

3. Annual Governance Statement (AGS)

Annual Governance Review Process 2018/19

3.1 An annual review of the Council's governance, risk management and internal control arrangements has taken place to support the production of the AGS for 2017/18 as in previous years. The aim of the review process is to ensure that the Council has in place effective governance, risk management and internal control processes to ensure clear accountability for and the delivery of its objectives. Additionally, the review process is used to identify any shortfalls in these arrangements which can then be addressed in the following year.

3.2 The officer group sought to identify:

i) The extent to which the City Council complies with the principles and elements of good governance set out in the CIPFA/SOLACE Framework 2016.
ii) The systems, processes and documentation that provide evidence of compliance.
iii) The individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified.
iv) The issues that have not been addressed and considered how they should be dealt with in the future.
v) The individuals who should be responsible for undertaking the actions that are required.

3.3 As requested by Members in previous years the AGS:
i) Clearly states what has been done during the year;
ii) Identifies the evidence available where improvements have been made and focusses on examples of good practice; and
iii) fully identifies where improvements could still be made to provide a more effective set of governance arrangements.

Annual Governance Statement (AGS) for 2018/19

3.4 Attached at **Appendix 2** is the AGS for the year 2018/19 which includes the following information:
i) an acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control)
ii) an indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide
iii) a brief description of the key elements of the governance framework, including reference to group activities where those activities are significant
iv) a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
   a. the Council as a whole
   b. the Cabinet
   c. the committees mainly responsible for holding the Council to account as regards its governance arrangements, namely the Audit, Governance and Overview and Scrutiny Committees

d.   the officers mainly responsible for monitoring the governance arrangements of the Council namely the Monitoring Officer, section 151 Officer and the internal audit service

4.   Important Areas of Governance

4.1 The AGS should identify where governance arrangements are not in line with best practice or are not working effectively, together with action plans for improvement.

4.2   The AGS summarises:
   i)   The governance issues that were identified as important areas in 2018/19. These are set out in Section 13 of the AGS.
   ii)   Appendix A to the AGS sets out, in a diary format, the evidence as to how the main governance issues were addressed during the year.
   iii)   Progress made, as regards the issues identified as requiring improvement during 2018/19, are set out in Appendix B to the AGS.

5.   Conclusion

5.1   The Code and the AGS reflect the ethical as well as the financial governance arrangements for the authority, and accordingly the task of approving the AGS falls jointly on the Audit and Governance Committees. This approach reflects good practice in aligning the work of the committees with responsibility for monitoring governance in the authority.

5.2   The AGS has to be approved prior to approving the Statement of Accounts in July 2019.

5.3   Once approved the AGS will be signed by the Director of Financial Services, Chief Executive and the Leader of the Council.

List of Appendices

Appendix 1: Local Code of Corporate Governance 2018/19

Appendix 2: Annual Governance Statement 2018/19

Chelmsford City Council

Code of Corporate Governance

2018/19

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 practise 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* (2016) identified 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
1. Behaving with Integrity - 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. - 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) - Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. - 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. **2. Demonstrating strong commitment to ethical values** - Seeking to establish, monitor and maintain the organisation's ethical standards and performance - Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation - Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values - 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. **3. Respecting the Rule of Law** - Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations - 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. - Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders - Dealing with breaches of legal and regulatory provisions effectively - Ensuring corruption and misuse of power are dealt with effectively	**- Code of Conduct for Members** **- Code of Conduct for Officers** **- Articles of the Constitution** **- Members & Officers Registers of Interests and Gifts & Hospitality** **- Annual reports to Committee's (Audit/Governance/Overview and Scrutiny)** **- Anti Fraud & Corruption Strategy** **- Parish Charter** **- Comprehensive Equality Policy** **- Equality & Diversity Objectives** **- Equality Impact Assessments** **- Chelmsford Behaviours** **- Member Induction** **- Whistle blowing Policy** **- Governance Committee** **- Task & Finish Groups** **- Minutes detailing declarations of interests** **- Procurement Policy** **- Staff Personal Performance Appraisals** **- Job Description/Specifications** **- Committee Terms of Reference**

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 will all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting Principle	Evidence

1. Openness
- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- 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
- 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
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action
 	
2. Engaging comprehensively with institutional stakeholders
- 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
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- 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
 	
3. Engaging with individual citizens and service users effectively
- 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
- Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
	- Corporate Plan
	- Community Plan
	- Riverside Ice & Leisure Project
	- Overview & Scrutiny Committee
	- Minutes of Committee Meetings
	- Committee meetings open to the Public
	- Committee Agendas sent to Parish Councils and Local press
	- Petition Scheme
	- Online Customer Service contact forms
	- Online website feedback forms
	- Comments, Compliments and Complaints system
	- Public Questions at meetings
	- Annual Statement of Accounts
	- Overview & Scrutiny Annual Report to Full Council
	- Consultation & Engagement Strategy
	- Communications Strategy 2015-2018
	- Citizens Panel
	- CityLife newspaper distributed to Residents
	- Access to Information Public Scheme
	- Meeting Agenda publication deadlines adhered to

- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs - Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account - Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity - Taking account of the impact of decisions on future generations of tax payers and service users	**- Dates of Meetings published on website in advance** **- Access to Information & The Transparency Agenda**

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
1. Defining outcomes **-** 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 -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 - Delivering defined outcomes on a sustainable basis within the resources that will be available -Identifying and managing risks to the achievement of outcomes - Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available **2. Sustainable economic, social and environmental benefits** - Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision - 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 - 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 - Ensuring fair access to services	**- Corporate Plan** **- Community Plan** **- Local Development Framework** **- Annual Statement of Accounts** **- Director of Finance Report to Full Council** **- Performance Management Framework** **- Covalent Performance Management System** **- Instant feedback in Customer Service Centre** **- Medium Term Financial Strategy** **- Financial Rules** **- Contract Rules** **- Audit Plan** **- Treasury Management Strategy** **- Chelmsford Local Plan** **- Anti Fraud & Corruption Strategy** **- Equality & Diversity Objectives** **- Member Training** **- Staff Development Events** **- People Strategy** **- Communications Strategy 2015-2018** **- Consultation & Engagement Strategy** **- Annual Committee reports to Full Council**

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
1. Determining interventions - 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 - 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 **2. Planning interventions** - Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets - Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered - Considering and monitoring risks facing each partner when working collaboratively, including shared risks - Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances - 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 - Ensuring capacity exists to generate the information required to review service quality regularly -Preparing budgets in accordance with objectives, strategies and the medium term financial plan - Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy **3. Optimising achievement of intended outcomes**	**- Constitution** **- Role of Statutory Officers** **- Governance Committee** **- Member Code of Conduct** **- Officer Code of Conduct** **- Terms of Reference for Member bodies** **- Officer Scheme of Delegation** **- Protocol for Relations between Members & Officers** **- Complaints Procedure** **- Chelmsford Behaviours** **- Medium Term Financial Strategy** **- Corporate Plan** **- Quarterly Performance Reports to Overview & Scrutiny Committee** **- Members & Officers Registers of Interests and Gifts & Hospitality**

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints -Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term - 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 -Ensuring the achievement of 'social value' through service planning and commissioning	

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

1. Developing the Council's capacity
- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness
- 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
- Recognising the benefits of partnerships and collaborative working where added value can be achieved
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources
 	
2. Developing the capability of the Council's leadership and other individuals
- 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
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body
- 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
- 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
	- Performance Management Framework
	- Covalent Performance Management System
	- Constitution
	- Terms of Reference for Member Bodies
	- Officer Scheme of Delegation
	- Protocol for relations between Members & Officers
	- Members access to Officers (and vice versa) is maintained
	- Members Area
	- People Strategy
	- Apprenticeship Scheme
	- Internship Scheme
	- Gold Investors in People Scheme
	- Service Late Opening's
	- Team Meetings
	- Chief Executive Roadshow
	- Departmental Meetings
	- Extended Management Meetings
	- Staff Forum
	- Staff Survey
	- Role of Members
	- Role of Senior Officers

-ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external - Ensuring that there are structures in place to encourage public participation - Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections - Holding staff to account through regular performance reviews which take account of training or development needs - 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	**- Officer Induction Programme** **- Member Training** **- Member Induction** **- Chelmsford Behaviours** **- Staff Development Events** **- Managers of Chelmsford Tomorrow** **- Corporate Welcome & Induction** **- Job Descriptions** **- Personal Performance Appraisals** **- Training Programme**

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
Managing risk - 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 **2. Managing performance** - 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	**- Strategic Risk Board (Joint Officer/Member Membership)** **- Strategic Risk Board minutes submitted to Audit Committee** **- Covalent Risk Management** **- Overview & Scrutiny Committee Minutes** **- Covalent Performance Monitoring Reports (Quarterly updates provided to Overview & Scrutiny Committee)** **- Benchmarking** **- Committee Agendas published before deadlines** **- Internal Audit reports to Audit Committee** **- Audit Plan** **- Capital and Revenue Monitoring reports to Audit Committee** **- Treasury Management Strategy**

- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) **3. Robust internal control** - 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 - that its recommendations are listened to and acted upon **4. Managing data** - 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 **5. Strong public financial management** - 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	**- Director of Finance reports to Full Council** **- Treasury Management Sub-Committee open to the public** **Information Requests – Publication policy, scheme and web pages** **- Data Protection – Privacy Policy and web pages** **- Senior Information Risk Officer responsibilities identified as well as review processes where potential breaches are identified.** **- Regular meetings and minutes of all departmental officers designated with responsibility for information management, including review of risk log and issues arising** **- Regular monitoring of all information requests for trends and improvements to the information published- monthly summaries circulated to senior managers and officers.**

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
1. Implementing good practice in transparency - 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 - 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 **2. Implementing good practice in reporting** - Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way - Ensuring members and senior management own the results reported - 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) - Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate - 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 **3. Assurance and effective accountability** - Ensuring that recommendations for corrective action made by external audit are acted upon - 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 - Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations - Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement - Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	**- Minutes of Audit, Governance and Overview & Scrutiny Committees** **- Annual Audit Report** **- Committee Meetings open to the Public** **- Committee Agenda/Minutes sent to Local Press** **- Annual Statement of Accounts** **- Director of Finance report to Full Council** **- Comments, Compliments & Complaints System** **- Benchmarking** **- Medium Term Financial Strategy** **- Constitution** **- Anti Fraud & Corruption Strategy** **- Comprehensive Equality Policy** **- Equality & Diversity Objectives** **- Equality Impact Assessments** **- Whistleblowing Policy & Procedure** **- Induction Programmes** **- People Strategy** **- Gold Investors in People Status** **- Statement of Community Involvement** **- Consultation & Engagement Strategy** **- Petition Scheme**

	- Access to Information & Transparency Agenda **- Access to Information Public Scheme** **- Chief Executive Roadshow** **- Staff Forum** **- Committee Report writing guidelines** **- CityLife publication to Residents**

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 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 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 2018/2019
Chelmsford City Council

1.0   Our responsibilities

1.1   We have a duty under the Local Government Act 1999 to make arrangements that ensure we continuously improve the way we work in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that our business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.

1.2   To fulfill this responsibility, we have put in place arrangements for the governance of our affairs and carrying out our functions, which includes arrangements for managing risk.

1.3   We have approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016 Edition)*. A copy of the code is on our website ***here***.

1.4   This Annual Governance Statement (AGS) sets out the specific aspects of the Code that were reviewed during 2018/19. It also meets the requirements of regulation 6(1) & (2) of the Accounts and Audit Regulations 2015 in relation to the publication of an annual governance statement.

2.0   Our Governance Framework

2.1   The Governance Framework is made up of:
- the systems, processes, culture and values by which the Council is directed and controlled, and
- the Council's activities, through which it accounts to, involves, works closely with and leads the community.

2.2   The Framework enables us to monitor how far we achieve our strategic objectives and to consider whether those objectives have led us to provide 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 our policies, aims and objectives, so it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:
- identify and prioritise the risks to us of achieving our policies, aims and objectives
- evaluate the likelihood of those risks happening and the effects if they do occur, and
- manage those risks efficiently, effectively and economically.

2.4   The following diagrams indicate our established governance framework and how this is then monitored. The remaining sections of this statement describe the key elements of the systems and processes that make up our governance arrangements, which have been in place for the year ended 31 March 2019 and up to the date of the approval of this Statement and the Statement of Accounts.

2.5   Following the local elections held on 2nd May 2019, the political make-up of the Council changed significantly and at the Annual Council meeting on 22nd May 2019, the new administration made changes to the Cabinet responsibilities, bringing these in line with Directorate responsibilities, with Deputies to concentrate on key priority areas. In addition, the Development Policy Committee was replaced with the Chelmsford Policy Board, which

will have a wider remit and be responsible for the review and development of all policies, not only planning policy. The Board, which will be politically balanced and meet 6 times per year, will have the following terms of reference:

1. To review existing and develop new policies in relation to any function for which the City Council is responsible and to make recommendations to the Cabinet and Council, as appropriate. and

2. To establish working groups to examine in detail existing policies, develop new ones and to make recommendations on new or revised policies to the Chelmsford Policy Board. The Working Groups may, where appropriate, invite non-Board members to attend their meetings.

The introduction of the Policy Board should strengthen governance by providing a wider input into policy development, and the Council's vision and Corporate Plan will be realigned with the priorities of the new administration.

2.6 Much of this document therefore refers to how the council was organised in the year just ended, rather than how it will be going forwards.

Council's Governance Framework:

Suite of Documents dealing with the Council's approach
- Council Vision and Priorities
- Corporate Values and Behaviours
- Budget and Budgetary Control
- Risk Management Strategy
- Anti-fraud and Corruption Strategy
- Corporate Business Continuity Plan
- Fire risk assessment
- Policies, procedures, Codes of Conduct
- Partnership Protocol
- Code of Corporate Governance and Annual Governance Statement

Corporate Officer Group
- Responsible for drafting Annual Governance Statement, maintaining assurance framework and supporting evidence.
- Reporting the Annual Governance Statement to the Governance and Audit Committees for approval in June each year.
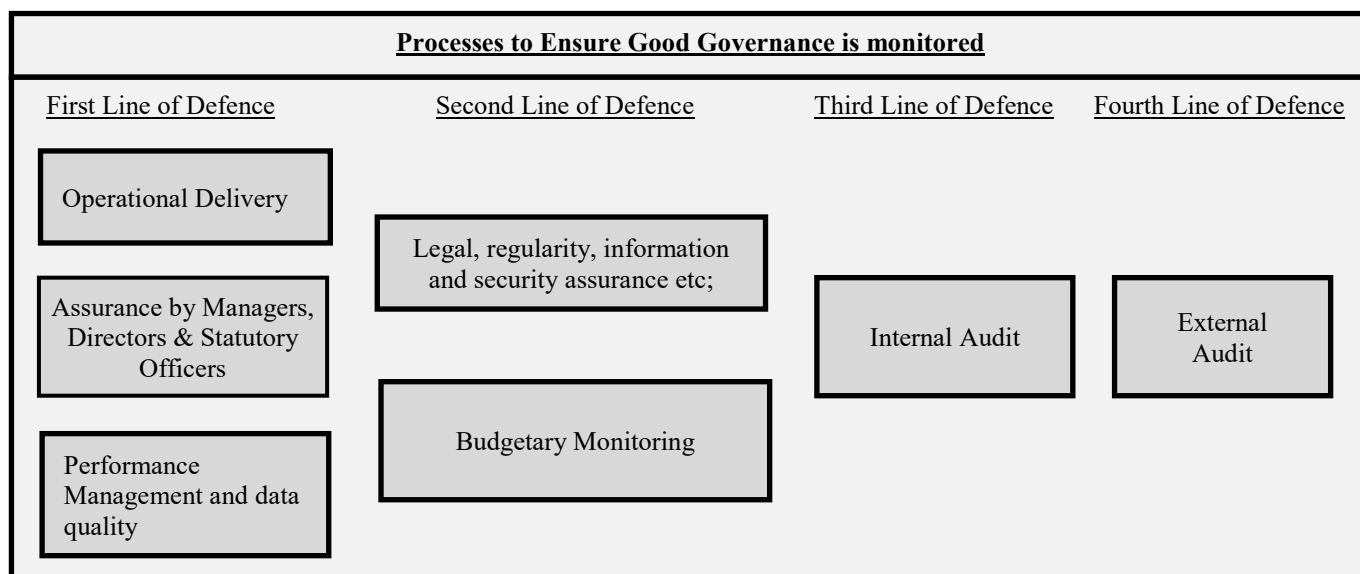
Statutory Officers
- Head of Paid Service – Chief Executive
- Section 151 Officer – Director of Finance
- Monitoring Officer – Legal & Democratic Services Manager

Governance Committee
- Approve and monitor the Council's Code of Corporate Governance statement
- Review and approve for publication the Council's Annual Governance statement (Jointly with the Audit Committee)
- Oversee the Council's arrangements for dealing with complaints including complaints under the Code of Conduct for Councillors, to the Local Government Ombudsman and the Annual Whistleblowing report
- Review of the Constitution and governance rules and arrangements

Audit Committee
- Monitor the Council's revenue budget
- Monitor the Council's capital programme
- Monitor effectiveness of Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements,
- Review the assessment of fraud risks and potential harm to the Council from fraud and corruption,
- Approve Internal Audit's charter, strategy, resources, risk-based plan and significant interim changes to the plan as well as its Annual Report and the Internal Audit Services Manager's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and controls.

Processes to Ensure Good Governance is monitored			
First Line of Defence	Second Line of Defence	Third Line of Defence	Fourth Line of Defence
Operational Delivery			
Assurance by Managers, Directors & Statutory Officers	Legal, regularity, information and security assurance etc;	Internal Audit	External Audit
Performance Management and data quality	Budgetary Monitoring		

3.0 The Council's Vision

3.1 The long-term vision for Chelmsford, previously agreed by the Council and its partners, is to enhance the economic, cultural, leisure and environmental setting of our city and to become a leading regional centre in the East of England. The Council's Corporate Plan is under review.

3.2 The existing plan sets out the following five key priorities for Chelmsford and its residents:

Promoting sustainable growth to stimulate a vibrant balance economy and provide more housing of all types.	Making Chelmsford an even more attractive place, promoting Chelmsford's green credentials and creating a distinctive sense of place.
Promoting healthy, active lifestyles and encouraging people to live well, making Chelmsford an even more enjoyable place in which to live, work and visit.	Being outward looking, willing and committed to work in partnership to secure investment in the City, deliver key infrastructure projects and build community capacity.
Investing in the organisation, its people and the working environment to ensure that the City Council is effective, high perfuming and successful in delivering its goals.	

The Plan will be reviewed to reflect the priorities of the new administration in delivery of a more connected, safer, greener and fairer Chelmsford.

3.3 Overall responsibility for delivering our Corporate Plan vision, sits with the Council's Cabinet Members and Directors, who have the responsibility for delivering individual actions assigned to individual officers. Officers will monitor progress on a continual basis using Pentana, the Council's risk and performance management system. Pentana will link together all the information from our performance framework (such as the Corporate Plan, Service Plans, and Performance Indicators at corporate and local level) and will enable full alignment with Principal and Directorate risks recorded through the Council's risk management framework.

Information contained within Pentana will evolve as Service Plans, which underpin the new Corporate Plan, are developed and individual actions and projects are completed.

__The key priorities of the Community Plan:__
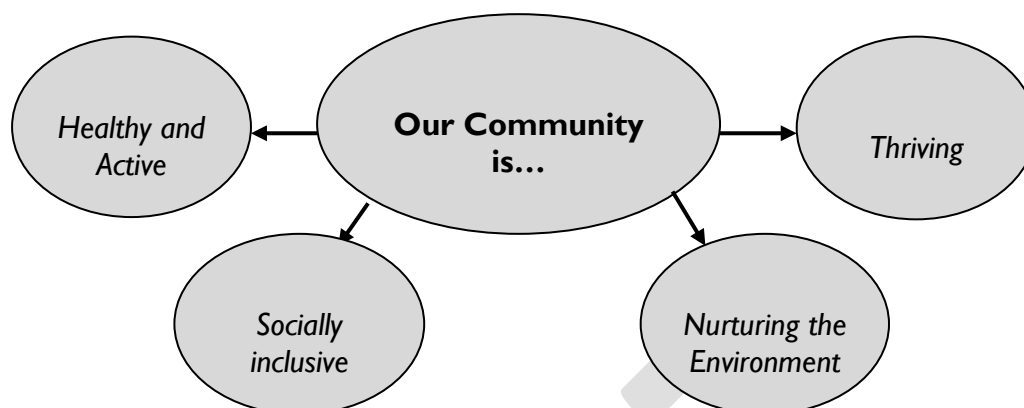
3.4 To communicate the Corporate Plan and vision, we publish our Annual Report and Statement of Accounts, and an annual Medium-Term Financial Strategy. We also extensively use our website and newspaper "City Life" to keep residents informed throughout the year.

4.0   Assessment of the Effectiveness of key Elements of the Governance Framework

4.1 We focus on delivering services against the priorities set out in our Corporate Plan. We prioritise where we should allocate resources depending on how appropriate they are for these themes. Risk management arrangements are aligned to the Corporate Plan to ensure the Council's Principal Risks are managed and mitigated.

4.2 The Council has shown that its performance has improved consistently through target-setting and improvements to service delivery. Performance is reviewed and challenged in various ways. Examples for this year are as follows and details of what was reported and when can be found in the links in **Appendix A**:

4.2.1 Performance information is accessed via Pentana. This system allows staff to access and update information relating to the progress of local actions, projects and performance indicators. Corporate performance indicators are also collated through Pentana, with performance reports generated automatically from the system.

4.2.2 Directors regularly meet their Cabinet Member to discuss progress against their service plans

4.2.3 Corporate performance reports are reviewed regularly by the Overview and Scrutiny Committee.

4.2.4 Directors regularly meet with the Chief Executive to discuss performance and progress against their action plans.

4.2.5 PPA (Personal Performance Appraisal) – The overall objective of the appraisal scheme is to help each employee to maximise their performance for the joint benefit of the employee and the Council. It also provides the line manager with a forum to

communicate the aims and future direction of the council and service area and to manage the performance of the individuals within their service area.

4.2.6 Going forward, as new Service Plans are developed to support the new Corporate Plan, corresponding performance indicators will be monitored through Pentana, enabling regular reporting to Management Team.

4.3 The quality of our services is also assessed through satisfaction surveys and customer feedback. Significant examples for this year are set out below and included in **Appendix A.**

4.3.1 Customer Service awards – The Customer Service Award Panel meets every three months to review all the nominations that have been submitted. The panel includes; the Council's Cabinet Member for Corporate Services, the Director of Corporate Services, the Customer Services Manager, the Chief Officer of Chelmsford Volunteering Service and two members of the Citizen Panel. Employees can be nominated for a variety of reasons, including 'going the extra mile' and 'dealing well with a challenging situation'.

4.3.2 Continuous improvement – the Council ensures this by the Corporate Management Team identifying areas of the organisation which could be more effective or benefit from undergoing a review. Directors are responsible for the reviews undertaken within their service areas and report findings from the reviews back to the Senior Management Team before change is implemented, examples of which are included in **Appendix A**

4.3.3 Investors in People Gold (IiP) - This was initially awarded in 2014, then reaccredited in 2016 and work is ongoing ahead of the next scheduled reaccreditation in October 2019. It indicates the highest level of achievement in developing staff and continues therefore to create better resources to deliver services to the public.

4.4 Examples of the work undertaken in 2018/19, in accordance with the core Cipfa/Solace principles referred to in paragraph 1.3, are:

4.4.1 Riverside development target – work commenced on site in July 2017 on this significant capital project with a June 2019 completion. External endorsement of the project received from Sport England with a contribution of £1.5m.

4.4.2 Joint working on traveller incursions through membership of the Essex Countywide Traveller Joint Committee with Essex County Council, and a number of other Essex local authorities, the Police and Fire service, for more effective use of resources.

4.4.3 Joint working on council tax recovery data sharing with Essex authorities.

4.4.4 Joint working through the Local Government Association resources to assist with preparation of our approach to increase temporary housing as well as the overall strategy to identify how housing delivery can be improved in the City's area.

4.4.5 Review of the Local Plan, including working with neighbouring authorities and other statutory bodies through the 'Duty to Co-operate' on strategic cross-boundary planning issues.

5.0   Roles and Responsibilities for the Development and Maintenance of Our Governance Arrangements

5.1   Our Constitution clearly sets out the roles and responsibilities of the Cabinet (Executive), Committees approved by full Council and other bodies where Councillors have a decision-making role. The Executive functions are the responsibility of the Leader of the Council who has adopted a scheme that most decisions will be taken by the Cabinet and no individual responsibilities have been granted to individual Councillors.

5.2   The Constitution also sets out officers' responsibilities for operational and financial matters. Financial Rules that form part of the Constitution define the financial responsibilities. There is a comprehensive scheme of delegating functions to officers, which sets out the scope of delegation and any restrictions.

5.3   The various Codes of Conduct for Councillors and officers and the Councillor/Officer Protocol ensure that roles and responsibilities are defined and understood. The protocol describes and regulates the way Councillors and officers should work together effectively.

5.4   The roles and functions of the key officers and Committees responsible for Governance monitoring are set out in Part 3 of the Constitution. Details can be accessed *here*.

6.0   Core principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

General Principles

6.1   Following the major review of the Council's Constitution in 2016/17 there were only minor changes required in 2018/19. Those changes introduced were considered by Councillors at various stages before formal adoption by Full Council. All these changes directly address the way in which Councillors and Officers are expected to behave and are available through the Council's website for easy access to those engaging with the Council. This ensures that the rules under which the Council operates are up to date and reflect the latest legislative provisions.

6.2   We aim to ensure that Councillors and senior officers have the skills, knowledge and capacity they need to fulfil their responsibilities. We recognise the value of well trained, competent people in effective service delivery as employees play an important role in delivering change. Our People Strategy and associated Workforce Development Plan, which ensures we have those people, are linked to and integrated with our vision and priorities for the future, as set out in our Corporate Plan.

6.3   The Terms of Reference for all member Panels and Committees have been included in the Constitution. This reflects the importance placed on transparent decision making. Examples are:
    6.3.1   Museum Lottery Bid Project Board
    6.3.2   Riverside Redevelopment Project Board
    6.3.3   Community Infrastructure Spending Panel
    6.3.4   ICT Strategy Board
    6.3.5   Mayoral Working Group
    6.3.6   Civic Centre Panel
    6.3.7   Leader's Property Panel

Councillors

6.4   We regularly communicate these changes and particularly those related to Councillor's conduct to ensure they are understood. In 2018/19 examples of the briefings provided and the dates changes were introduced though formal adoption procedures are contained in **Appendix A**.

Officers

6.5   Our Workforce Development Action Plan and Learning and Organisational Development Strategy both ensure that employees have opportunities to develop their skills and knowledge to keep up-to-date with the changing requirements of the Council and their role.

6.6   The Council's People Strategy and Workplace plan sets out the Council's plans on how it should creatively use its employees to meet its vision for the future of the city of Chelmsford, linking with the Council's Corporate Plan. It is recognised that all the Council's services are provided directly and indirectly through its employees in order to meet the strategic vision for the future. The Council must be able to recruit the right people with the right attitude, skills and expected behaviours to the right jobs, at the right time and at the right cost to enable delivery of excellent services in our community.

6.7   During 2018/19, the Council has been developing a new set of Values and Behaviours for its staff, complementing the Codes of Conduct and creating a strong ethical framework. Roll out of the Values and Behaviours has begun across the organisation, with many staff being involved with focus groups, provoke sessions and workshops. This is being supported through Leadership and Management Training based around conversational leadership, which is to be followed by work to embed and sustain the new values and behaviours and the associated skills. Our appraisal framework is already underpinned by a behavioural framework which sets out the standards of behaviour expected by all staff and this will be updated to reflect the new Values and Behaviours of Accountability, Creativity, Learning and Encouraging, Collaboration and Trust.

6.8   The Council is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse workforce brings to the organisation. The Council aims to create a work environment where everyone is treated with dignity and respect. The Council has established an Equality and Diversity Champions Group to support the achievement of the Council's equality and diversity objectives and enable equality and diversity to be embedded within Service activity. All staff are encouraged to attend learning events to enable an understanding of equality, diversity and inclusion. The Council's website page sets out our responsibilities and priorities under equality and diversity and the Council's intranet provides appropriate guidance and resources for all employees.

New Starter Induction

6.9   Before commencing employment a successful applicant is required to read and sign key documents including the following:

6.9.1   Code of Conduct for Employees
6.9.2   Corporate Information Security Policy
6.9.3   Safeguarding Induction Booklet
6.9.4   Financial Rules
6.9.5   Whistleblowing Policy
6.9.6   Anti-Fraud and Anti-Corruption Policy

6.10 The Council acknowledges that most of its employees can be relied on to conduct themselves in an exemplary manner, irrespective of formal rules. However, in a large organisation such as the Council it is necessary for there to be a formal document in force which identifies conduct which is unacceptable to the Council as an employer; indicates the likely consequences of such conduct and provides a framework for managers and employees that helps ensure that the required high standards of job performance and conduct are met and maintained.

6.11 The Council is committed to promoting the welfare and protection of vulnerable people and has a well-developed Safeguarding Policy. Disclosure and Barring Service checks are in place for eligible roles to ensure that the right people are hired and to minimise the risk to children, young people and vulnerable groups.

7.0 Core Principle B: How We Ensured Openness and Comprehensive Stakeholder Engagement with Individuals and Institutions

Ensuring Openness

7.1 As referred to in the section above the Council's methods and processes for taking decisions are set out in its Constitution and adopted plans and Strategies. However, these need to change over time to remain relevant. The last review of the Constitution improved the transparency of decision making by simplifying the structure, the use of plain English, greater consistency and introduction of Practice Notes to provide greater explanation and clarity.

How do we engage with our stakeholders?

7.2 The Council has an established Consultation and Engagement Strategy. It guides our staff when they consult and engage with local communities, and is accompanied by a toolkit for staff, providing practical information to help and guide them when involved in activities aimed at encouraging participation in Council work. Examples or how this is implemented are:

7.2.1 Community events - The Council organises a programme of these throughout the year to engage with all groups of the community, promote the work of the Council and signpost residents to relevant support and services. Events involve a wide selection of groups from the public and business communities.

7.2.2 "The 3 Foot People Festival" and "Fling Festival" – These unique Chelmsford events enjoy long running popularity and 2018 saw the 10th birthday of Fling Festival. The 3foot People Festival attracted 12,480 visitors (fractionally lower than in 2017) and Fling Festival saw visitors increase to 3,211. Following full implementation of all recommendations from the audit review, the festivals in 2018 were operationally a success. Despite overall income being slightly lower than the previous year, sponsorship income was increased from £14,450 in 2017 to £23,500 in 2018 – much of this increase related to 3foot which is considered an attractive proposition to sponsors due to the demographic.

7.2.3 Events & Engagement Programme – Following a restructure which led to the creation of the Events & Engagement Team at the end of 2016, the existing offer of events and engagement initiatives has been reviewed and an extensive events programme implemented with the aim to engage a wider cross-section of audiences.

i) The revised events and engagement programme includes "Chelmsford Restaurant Festival", "City Photography Competition", "SWFest", "Discovery Festival", "Older People's Information Day" and "Holocaust Memorial Commemoration". The team

also assisted the Mayor's Office with organisation of the Remembrance Sunday celebrations.

ii) "We Are Chelmsford" - After a review in 2017, it was agreed that the High Street presence was not really engaging with a sufficient number of the public when compared to the resources and staff time involved across the organisation. Therefore, for WAC 2018, a number of exclusive or behind the scenes tours, activities or talks were arranged along with an improved online presence as opposed to a High Street presence. In addition, the focus was to make it more inclusive of other organisations and companies who are as much part of Chelmsford as the Council. Despite the campaign, most events did not see an increase in public engagement and following review it was decided that WAC is no longer viable. In its place the new events and engagement programme will be implemented, and residents engaged through the Chelmsford City Life and Visit Chelmsford platforms.

7.2.4 Citizens' and Youth Panel – The Council has an established process for consultation with the Citizens' Panel..

i) The Citizen's Panel was relaunched in late 2017 after the recommendations were adopted from a Task & Finish group and the membership refreshed; there are now 496 people on the panel. A newsletter is distributed after there have been any consultations. Regular requests go out to council departments asking if they have any consultations that they want the Citizens' Panel to feedback on.

ii) The Youth Panel was also reviewed at this time as engagement with this audience (14-18-year olds) was very low and difficult to achieve. It was agreed that the former Youth Panel would be disbanded, as the report found that young people were reluctant to respond to emails and passive communications. Therefore, going forward it was agreed that when a youth audience needed to be consulted with, we would work with existing youth orientated groups (schools, youth clubs, Essex Youth Service etc) to identify their views and feedback.

7.3 We work closely with Parish/Town Councils in a bid to improve relations and cross-tier working. A quarterly newsletter for Parishes is produced and circulated electronically. The content of the newsletter has recently been improved. A Parish Charter has been adopted by 18 of the 26 Parish Councils. The Monitoring Officer continues to provide guidance for Parish Councils on the standards regime. For example:

7.3.1 Working with Parish Councils to investigate complaints prior to determinations being made.

7.3.2 The Council organises a Parish and Town Council Planning Forum where a number of presentations have been held in relation to how the planning process works as well as on the review of the Council's Local Plan policies.

7.3.3 The Council organises annual presentations to Parish and Town Councils in relation to parking and highways. These are occasionally delivered in partnership with Essex Highways officers.

Partnerships and Joint Working Arrangements

7.4 We work extensively in partnership with other organisations and agencies, and currently we classify six partnerships as 'significant' in terms of their strategic importance to the

Council as they help us achieve the Corporate Priorities. These six significant partnerships are:

7.4.1 One Chelmsford Partnership (a merger of the Chelmsford Partnership and the Safer Chelmsford Partnership)

7.4.2 South Essex Parking Partnership – This was reviewed and extended to allow for the delegation of additional powers to agree the making of Traffic Regulation Orders and the re-allocation of contingency funding to assist with that work.

7.4.3 Essex Waste Partnership

7.4.4 Chelmsford Local Delivery Mechanism

7.4.5 Essex Online Partnership

7.4.6 Mid Essex Children's Partnership

7.5   A Protocol for Partnership Working and an accompanying checklist cover key aspects of governance arrangements that need to be satisfied when the Council enters into a new partnership working arrangement. These include having adequate and documented financial, risk, legal, performance, and audit arrangements in place, as well as ensuring that that covers many areas such as roles and responsibilities, decision-making and communication.

7.6   The council also aim to work closely with other Essex authorities wherever appropriate. In addition to key partnerships mentioned above, during 2018/19 the Council continued to take an active part in the following joint projects:

7.6.1 An Essex-wide data matching agreement was completed. Data sets from individual Councils are being shared to identify any inconsistencies mainly through Council Tax, to reduce the discounts claimed improperly. As at March 2019, £1,121,000 of improperly claimed discounts across Essex have been identified.

7.6.2 The Council Tax Sharing agreement between Essex Billing and Major Precepting authorities that was completed in 2014/15, continues to operate allowing the partners to share the costs of discretionary Council Tax discounts and fund schemes that aim to maximise the Council Tax income collected.

How We Enhance Accountability for Service Delivery and Effectiveness of Other Public Service Providers

7.7   Chelmsford City Council has a role in improving public health and reducing health inequalities. It carries this out through a local strategic partnership (One Chelmsford), Chelmsford Health & Wellbeing Group and by fully engaging with Mid Essex Clinical Commissioning Group and Essex County Council's public health team. Whilst Chelmsford City Council has an important role to play the statutory duty for public health rest with Public Health England and Unitary or County Councils.

7.8   Chelmsford City Council has a duty of care under section 11 of the Children's Act 2004 to safeguard and promote the welfare of children and young people. Moreover, it has a duty under section 47 of that Act to cooperate with Essex County Council in discharging its safeguarding duties as a Children's Services Authority through the Essex Safeguarding Children's Board. The Council works closely with the Essex Safeguarding Adults Board to

ensure that adults who live in the City, or receive local services, are safe from harm and are not subjected to exploitation or abuse.

7.9   The Council continues to refresh its Safeguarding Policy and related documents at least annually. Regular training is being provided to staff and Councillors on an ongoing basis. A dedicated safeguarding section has been created on the intranet for both staff and Councillors and it contains all the relevant documents, forms and information in one place.

8.0   Core Principle C: How We Defined the Outcomes Required and Clarified the Sustainable Economic, Social and Environmental Benefits We Expect to Deliver

Corporate Plan & Community Plan

8.1   The Corporate Plan sets out the fundamental principles as to how the Council will operate and, under the Community Plan, how these are applied in the wider context.

Local Plan Review

8.2   The Council has embarked on a review of its adopted Local Development Framework. The new Local Plan covers the period up to 2036. The Council's Development Policy Committee will continue to make the planning policy key decisions. Further details of the new Local Plan and its progress can be found here.

Ensuring Effective Arrangements for the Delivery of Infrastructure

8.3   The Council approved the basis for assessing applications for use of Community Infrastructure Levy funds. The procedures for allocating and spending the Community Infrastructure Levy funds can be found here.

8.4   The form for the agreements used for ensuring delivery of infrastructure under section 106 of the Town and Country Planning Act 1990 was reviewed this year and a new and simpler template document has been introduced, which developers have already indicated is an improvement in terms of clarity. This will streamline the preparation and completion of these documents in future and make better use of resources as well as swifter release of planning decisions.

Working with other agencies

8.5   As referred to under Principle B we work closely with Partner agencies within the Chelmsford area, utilising the skills and resources of the combined agencies to deliver in an effective and efficient way. Examples of the agencies with which we have had close working relationships are:

    8.5.1 Government Departments and Agencies, such as:
        i)   Sport England – Riverside Leisure Centre Project
        ii)   Environment Agency- Flood Alleviation Scheme
        iii) Heritage Lottery Fund – Museum "No Borders" Project

    8.5.2 Essex County Council - to deliver the required highway infrastructure improvements for the City Centre such as:
        i)   The Riverside Leisure Centre Development;
        ii)   Improvements to Mill Yard and the area surrounding the Chelmsford Railway Station utilising South East Local Economy Partnership funding;
        iii) Delivery and improvements to the two Park and Ride facilities in Chelmsford;
        iv)   The Beaulieu Park redevelopment and the wider infrastructure requirements;

     v)   Consultation as regards the review of the Local Plan

     vi) The process for allocating Community Infrastructure Levy funds

8.5.3 Other Local Authorities eg:

    i)   Museum "No Borders" Project with Broxbourne Borough Council and Epping Forest District Council, including joint funding bids to develop local museum strategies;

    ii) Management of Traveller Incursions through a Joint Committee with 12 other agencies including 10 Essex Councils as well as the Fire Service and Police.

8.5.4 Other Organisations eg:

    i)   Abellio Greater Anglia as occupier of the land and organisation running the facilities at Chelmsford Railway station and Network Rail as land owners

    ii) Landowners and developers, related enabling development through property transactions such as, The Marconi and Chelmer Waterside sites.

9.0   Core Principle D: How We Identified and Established the Actions necessary to Ensure We achieved the Intended Outcomes, Planned for Them and Made Sure We Achieved the Optimum Results

9.1   The Council establishes and monitors progress of key projects through the use of programme plans. There is also a co-ordinated assessment of how the key objectives have been achieved as well as monitoring risks and taking action to address these. A number of Advisory Panels have been established involving Councillors as well as key officers, to advise on progress and risks, to ensure decisions required are reached in accordance with project plan timelines. The Terms of Reference for those formally established are set out in Part 3 of the Council's Constitution. Examples of those where work has been ongoing in 2018/19 or have recently been established are shown in **Appendix A.**

9.2   Where appropriate there are formal agreements between the agencies to ensure that all aspects of the joint working are appropriately addressed, for example the Mill Yard project funding agreement.

10.0 Core Principle E: How We Developed the Capacity and Capability of our Organisation to Deliver the Required Outcomes

10.1   Where the Council lacks the skills or capacity to deliver projects assistance has been brought in. This is with a view to the transfer of skills where possible such as with the Digital Strategy. In other cases, consultants have been appointed, such as to:

10.1.1 Provide the design and project management for the Riverside Leisure Centre development;

10.1.2 Prepare the paperwork and strategy for the changes to the Chelmsford Museum;

10.1.3 Prepare the designs and options for the acquisition of modular units.

11.0 **Core Principle F: How We Manage Risks and Performance through Robust Internal Controls and Financial Management**

Fraud, Internal Audit and Risk Management

11.1 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The purpose of Chelmsford City Council's Internal Audit section is to provide independent, objective assurance and consulting services to the Council (via the Audit Committee, Chief Executive, S151 Officer, External Audit and senior managers), relating to these arrangements, which are designed to add value and improve the Council's operations.

11.2 The Audit Services Manager is also responsible for the delivery of an annual audit opinion that can be used by the Council to inform its governance statement in line with the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Statement on the Role of the Head of Internal Audit. The annual opinion will conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

11.3 In assessing the level of assurance to be given, the following has been taken into account:

- All audits undertaken in the year

- Any follow up action taken in respects of audits from previous periods

- The effects of any significant changes in the Council's systems or objectives

- Any limitations which may have been placed on the scope of internal audit

- The extent to which resource constraints may impact on the Audit Service's Manager ability to meet the full needs of the organisation

- The results of work performed by other assurance providers, such as External Audit.

11.4 It is the Audit Service Manager's opinion 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 to address areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk.

11.5 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. This opinion has been derived from consideration of the detail in the Internal Audit Annual Report 2018/19.

11.6 The Internal Audit annual opinion considers the number of limited assurance reports issued and their overall impact on the control environment. Key issues arising from these reports relating to governance arrangements include Digital Strategy, Cyber Security and Corporate Property.

11.7 The roles of internal and external audit complement each other. Both are concerned with the Council's control environment and both use an objective, risk-based approach in reaching their conclusions.

11.8   The Council employs an Accredited Financial Investigator who has been successful in assisting this and other councils in recovering money through the use of the Proceeds of Crime Act 2002.

11.9   The role of the Council's risk management function is to assist the Council to identify, understand and manage risks to its objectives.

11.10   In January 2019, the Council initiated a project to refresh its risk management framework. A revised Risk Management Strategy was presented to Management Team on 10 April and recommended to Audit Committee for approval in September. A new risk reporting format (including revised criteria for risk assessment) has been agreed to facilitate regular reporting of the Council's Principal Risks to Management Team and Members. As the revised framework is rolled out, Directorate risk registers will capture risks at local level.

11.11   The use of Pentana, the Council's risk and performance management system, is also being refreshed as part of the Risk Project. Following the planned relaunch of the Risk and Assessment modules, further work is being scheduled to support the roll out of Service Plans and performance indicators underpinning the new Corporate Plan.

Monitoring for fraud, corruption and maladministration

11.12   We have the following policies that aim to prevent or deal with such occurrences. Examples are set out in **Appendix A** as to how and when such issues are considered by Councillors and officers:

- Anti-fraud and Corruption Strategy
- Whistleblowing Policy
- Human Resources policies regarding disciplinary measures for staff involved in such incidents, and
- Fraud Response Plan for managers.
- Investigation Officer Guidance

Using Complaints Procedures to Identify Performance Concerns

11.13   The Council has well-established Whistleblowing as well as Comments, Compliments and Complaints schemes. Details of these are accessible on the Council's website and can be viewed *here*. All these help us to assess whether there are any fundamental issues with the way the Council is operating. No major issues were identified in 2018-19 and the reports to the Governance Committee identified in **Appendix A** show that:

11.13.1   The Local Government Ombudsman's Annual Report indicated no issues of concern.

11.13.2   11 complaints were received under the Code of Conduct for Councillors relating to City and Parish Councillors. 3 cases merited full investigation of which 1 is subject to a Governance Committee hearing in June 2019. Two further cases were subject to a Governance Committee hearing which found no breaches of the Code of Conduct.

11.13.3   7 complaints received through the Whistleblowing Procedure.
i)   2 were addressed by the services
ii)   1 was a complaint about policy
iii)   1 was not factually accurate
iv)   1 complaint did not wish to pursue the matter
v)   2 related to other local authorities' services

How we effectively manage our performance and the Council's approach to ensuring Robust Internal Controls

11.14   Details as to how we do this are captured in earlier parts of this AGS.

Managing Data

11.15   The Council has established Policies for dealing with Freedom of Information, Environmental Information and Data subject requests. The processes for dealing with them are included on the Council's website and there is a dedicated team that deals with requests and also complaints as regards Data Handling. 1,014 requests were dealt with during 2018/19 and 36 data breaches were identified.

11.16   The council has continued to progress the digital strategy which was approved in May 2017. In the past year we have migrated all the council's file data to outside buildings. This has allowed Councillors and officers to access all their file data outside of the office. It has given us much stronger data control with individuals being able to set the permissions and data expiry dates without the involvement of digital services. The foundations of the CRM platform have been completed with data security and permissions as a core requirement to everything we do. The ongoing simplification of the Council's IT estate has also given us much more control over the data we hold, more granular permissions and allowed us to start automating data retention.

Strong Public Financial Management

11.17   Our Financial Rules provide a concise set of principles to encourage the intended users to act in an empowered and accountable way when conforming to the rules. To ensure that the principles defined by the Financial Rules could be fully understood, we publish a set of practice notes to provide further guidance. They focus on various areas of Financial Management processes including the following:

- Assets control and security
- Fraud and Corruption
- Preparation of Budget
- Purchase Ordering and Invoice Payment
- Budgetary Control
- Insurance and Risk Management
- Contracts, External Partners and Third Party Working
- Income and Debt Management

11.18   We have established a financial planning process including a Medium-Term Financial Strategy, the preparation of a robust budget including a review of balances, and a reporting system of controlling spending against approved budgets.

11.19   We regularly review our financial systems, rules and risk arrangements to make sure they meet our needs and comply with best practice. We present regular reports to the Audit Committee on the work of Internal Audit, revenue and capital monitoring, risk management and the annual report and Statement of Accounts.

11.20   Containing spending within the allocated budget is a high priority for Directors and managers when managing performance. The Council has a rigorous revenue-monitoring process. Management Team and Cabinet Members are given a detailed monthly report, and a quarterly report is presented to the Audit Committee.

11.21 Our purchasing process identifies opportunities for better use of resources. The process is designed to encourage competition and ensuring compliance, giving a better deal for us and our purchasing partners.

12. <u>Core Principle G: How We Implemented Good Practice in Transparency Reporting, and Measuring How We Delivered Effective Accountability</u>

Implementing Transparency and Good Practice in Reporting

12.1 The Council complies with all legislative requirements in terms of publishing notices of executive key decisions to be taken and the Cabinet agendas in which the details are set out for Councillors to take these. The definition of "key decisions" are contained in Part 2 - Article 14 of the <u>Council's Constitution.</u>

12.2 Where such decisions are taken by officers, these too are documented and the Notices of the Decisions taken are published on the Council's website. Occasionally decisions need to be taken urgently and the Chief Executive or in their absence the relevant director is authorised to do so under the Officer Scheme of Delegation in Part 3.4 of the Constitution. In such cases the procedures for taking these are included in the Executive Rules in Part 4.4 of the Constitution.

12.3 As regards, Full Council functions and decisions, a number of Committees have been established, the terms of reference for which are set out in Part 3 of the Constitution and where officers have been authorised to take these decisions, the terms for doing so are set out in the Officer Scheme of Delegation.

12.4 Template reports are available and used to ensure that any matter requiring approval at Committee identifies the legislative and legal issues that need to be addressed. Legal and Democratic Services are required to be consulted in the preparation of all reports and for executive decisions they are also considered by the Council's Chief Finance Officer, Monitoring Officer and Director of Corporate services before they are published to ensure compliance with all legal and governance requirements.

Assurance and Effective Accountability

12.5 At least once a year we are responsible for reviewing the effectiveness of our governance framework, including the system of internal control. The review is informed by the following:

12.5.1 Managers in the Council who are responsible for developing and maintaining the governance environment and include the Chief Finance Officer and Monitoring Officer.

12.5.2 They meet regularly to monitor and where necessary review actions required under the Code of Corporate Governance and Annual Governance Statement.

12.5.3 The work of the internal auditors, and

12.5.4 Comments made by the external auditors and other inspection agencies.

12.6 The process listed below has been applied to maintain and review the effectiveness of our governance framework during the year and has been used as the evidence base for this AGS.

12.6.1   **Cabinet** - The Cabinet is responsible for monitoring overall financial and performance management and receives comprehensive quarterly reports about this. It is also responsible for monitoring the Corporate Plan's critical performance indicators and key projects, and completes this quarterly: details as to when this occurred appear in **Appendix A**.

12.6.2   **Overview & Scrutiny Committee** - There is a well-supported Overview and Scrutiny Committee with a work programme for the 12 months ahead and reviewed at each meeting of the Committee. A report on the work of the Committee is produced each year. Those addressed in 2018/19 are shown in **Appendix A.**

12.6.3   **Governance Committee** - The Committee has met regularly during the year and received reports on a wide variety of issues as identified in **Appendix A**. Of particular note are:
   i) The Committee received regular reports from the Monitoring Officer to ensure lawful decision-making and high ethical standards. Of specific note are that:
   a)   10 complaints were received under the standards regime in 2018-19, none of which required formal investigations. The reporting on the outcomes are shown on the Council's website *here* and in **Appendix A**.
   b)   The Committee also received an annual report on Whistleblowing.
   c)   The Annual report was made on the Committee's work by the Chairman to Full Council and means that all the Committees responsible for monitoring the Council's governance continue to report annually to Full Council.

12.6.4   **Audit Committee** - The Committee met regularly during 2018/19. The Committee monitored budgets and the work of Internal Audit and deals with issues such as risk management, financial control systems and the relationship with external audit.

12.6.5   In accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommended practice an annual report on the work of the Audit Committee was submitted to Full Council.

12.6.6   The Chief Financial Officer (CFO) makes regular reports to Cabinet and the Audit Committee on the state of our finances, the budget process, monitoring of expenditure against budget, the medium-term financial forecast and the annual report and statement of accounts. The CFO also presents other financial reports as necessary and therefore has the opportunity to add financial considerations to any reports.

12.6.7   **Internal Audit** - Internal Audit provides an independent and objective assurance service to Council management. It completes a risk-based programme of reviews throughout the year to provide an overall opinion on internal control, risk management and governance arrangements. Investigations is also responsible for fraud investigation and detection, which includes reviewing the control environment in areas where fraud or irregularity has happened. Any significant weaknesses that Internal Audit identifies in the control environment are reported to senior management and the Audit Committee.

12.6.8 **Performance Management** - Corporate Performance Indicators are collated by Financial Services and presented to Overview and Scrutiny Committee every quarter. Directors meet the Chief Executive regularly to discuss performance and progress against their objectives. As new Service Plans are developed to support the new Corporate Plan, corresponding performance indicators will be reported regularly to Management Team.

12.6.9 **Risk Management** – Operational risk information on fire risk actions, business continuity testing outcomes, information security breaches and corporate health and safety recommendations continues to be recorded and managed through Pentana, the Council risk and performance management system. These sources of risk information act as key risk indicators for the Council.

12.7 The year-end review of governance arrangements and the control environment also included the following:

12.7.1 Obtaining assurance from the Chief Financial Officer under section 151 of the Local Government Act 1972 that they are content with information that all managers of key financial systems have given them about the adequacy of existing systems.

12.7.2 Reviewing external inspection reports received during the year.

12.7.3 Reviewing comments received from our external auditor on last year's AGS.

12.7.4 Our financial management arrangements conform to the governance requirements of the 2016 CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

12.7.5 Appendix A provides a more comprehensive listing of key governance processes and events that took place during 2018/19.

13.0   Targets for Improvement

13.1   The main improvements made to governance arrangements in 2018/19 are captured in **Appendix B.**

13.2   The following governance related matters have been identified to be monitored in 2019/20:

Important areas of governance for 2019/20	Responsible Officer
Digital Transformation Project - *Close monitoring whilst the project continues* - *Anticipating any future issues*	**Director of Corporate Services**
New Riverside leisure centre performance monitoring - *Monitoring visitor numbers and bookings to see if the forecasted income revenue will be delivered.*	**Director of Public Places/Director of Finance**
New Corporate Plan performance monitoring - *Work with new Cabinet to realign Corporate Plan to new priorities and monitor progress as plan is implemented.*	**Management Team**

Cabinet Members reporting to Overview and Scrutiny Committee - *Feedback from the Overview & Scrutiny Committee as to whether this is beneficial.* - *Feedback from the Monitoring Officer and Director of Corporate Services on how this progresses.*	**Director of Corporate Services/Monitoring Officer**
Cyber Security - *Implementation of Cyber Security strategy and ongoing monitoring of cyber security risk*	**Director of Corporate Services**

14.   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

Signed…………………………………………………………………………
    Chief Executive

Signed…………………………………………………………………………
    Director of Financial Services

Date: 2019

2018/19 Calendar of key Governance events

June 2018	**Development Policy Committee-** • Chelmsford Local Plan – Submission for Examination in Public **Treasury Management Sub Committee-** • Treasury Management Outturn Report 2017/18 **Overview & Scrutiny Committee-** • End of Year Key Performance Report 2017/18 • Annual Report on the Scrutiny Function 2017/18 **Joint Audit & Governance Committee-** • Review of Local Code of Corporate Governance and Annual Governance Statement 2017/18 **Governance Committee-** • Annual Report of the Governance Committee 2017/18 • GDPR Update • Interim Polling District Review for the Beaulieu Park Development Area **Audit Committee-** • Revenue Outturn Position for 2017/18 • Capital Programme Update and Outturn • Audit Committee Annual Report 2017/18 • Audit Committee Terms of Reference • Internal Audit Annual Report 2017/18 **Employment Committee** • Decision on the Appointment of the Director of Financial Services
July 2018	**Cabinet-** • Treasury Management Outturn Report 2017/18 • Capital Programme Outturn 2017/18 • Medium Term Financial Strategy • Changes to Housing Allocations Policy **Audit Committee-** • Audit Results Report 2017/18 • Digital Transformation progress • Update on Housing Services and Modular Units **Development Policy Committee-** • Strategic Land Availability Assessment Annual Publication **Full Council-** • Annual reports from the Overview & Scrutiny Committee, Governance Committee and Audit Committee
September 2018	**Licensing Committee-** • Gambling Act 2005 – Statement of Policy **Regulatory Committee-** • Review of the Current Operator Licence Conditions • National Anti-Fraud Network Database **Audit Committee-** • Digital Transformation progress • Annual Audit Letter • Revenue Budget Monitoring

- Internal Audit External Quality Assessment

October 2018

Cabinet-
- Leisure Services Pricing Strategy
- Air Quality Strategy
- Gambling Act 2005 – Statement of Licensing Policy

Governance Committee-
- Complaints to the Local Government and Social Care Ombudsman – Annual Review
- Annual Whistleblowing Report
- Review of the Council's Constitution

Treasury Management Sub Committee 2018/19
- Treasury Management Mid-Year Review 2018/19
- Update on Treasury Issues

November 2018

Development Policy Committee-
- Chelmsford City Council Authority Monitoring Report
- Planning Obligations SPD Consultation Feedback

Cabinet-
- Treasury Management Mid-Year Review 2018/19
- Mid-Year Budget Review 2018/19
- Amendments to Constitution

Overview & Scrutiny Committee-
- Quarter One & Two 2018/19 Performance Report
- Task and Finish Group on Voter Registration
- Terms of Reference for Task and Finish Group

December 2018

Full Council-
- Amendments to the Constitution
- Treasury Management Mid-Year Review 2018/19
- Mid-Year Budget Review 2018/19
- Gambling Act 2005 – Statement of Policy

Audit Committee-
- Digital Transformation Budget Report
- Housing Services Transformation & Modular Housing Project Review
- Capital Programme Update & Monitoring
- Certification of Claims and Returns Annual Report 2017/18
- Risk Management Update
- Internal Audit Interim Report

Treasury Management Sub Committee-
- Treasury Management Strategy 2019/20

January 2019

Governance Committee-
- Annual Governance Statement Objectives Update
- Appointment of Independent Persons
- Standards Complaints

Cabinet-
- Options for Local Council Tax Support Scheme 2019/20
- Amendments to Business Rate Discretionary Relief Policy
- Council Tax – Changes to Charges and Discounts for Empty Properties

	- Treasury Management Strategy 2019/20
- Revenue Estimates 2019/20
- Capital Strategy
- Capital Programme Update
- Allocating and Spending Community Infrastructure Levy
February 2019	**Overview & Scrutiny Committee-**
- Quarter Three Performance Information Report
- Annual Presentation by Safer Chelmsford Partnership
- Annual Presentation by Essex Police
- Annual Report on Housing Delivery
- Terms of Reference for Task and Finish Group

Full Council-
- Pay Policy Statement 2019/20
- Designation of Monitoring Officer
- Finance reports from January Cabinet

Development Policy Committee-
- Chelmsford Draft Local Plan – Post Examination Hearing Update
- Essex County Council Chelmsford Park and Ride Consultation |
| March 2019 | **Cabinet-**
- Business Continuity Planning for an EU Exit
- Modern Slavery & Human Trafficking Statement 2019
- Corporate Plan

Audit Committee-
- Annual Audit Plan 2018/19
- Digital Programme Budget
- Revenue Budget Monitoring
- Draft Internal Audit Plan 2019/20
- Internal Audit Charter 2019
- Risk Management Update
- Annual Investigation Report
- Accounting Policies for the 2018/19 Statement of Accounts |
| May 2019 | **Annual Council-**
- Arrangements for and Appointments to City Council and Outside Bodies |

Progress of outstanding Governance Issues identified for 2018/19

Governance Issue	Progress	Outcome	Core Principle
Ensuring compliance regarding the governance arrangements for the Riverside Ice and Leisure Centre redevelopment.	As this project has progressed through the contract implementation stage project governance has focused on regular [monthly] client co-ordination meetings attended by representatives of the Council, the appointed professional services team and the project manager. A corresponding contract progress review meeting also takes place on a similar frequency including those attending the client meeting + representatives of the main contractor and the contract administrator. All meetings have full minutes, but circulation is restricted due to the commercial sensitivity of much of the content. Any key political issues arising are reported through regular Cabinet Member briefings.	To provide overview of the project a monthly meeting between the Council's Senior Management Team, the project manager and the professional services team also takes place. This is led by the Director of Public Places. All meetings have full minutes, but circulation is similarly restricted due to the commercial sensitivity of much of the content.	**F&G**
Ensuring compliance regarding the governance arrangements for the Digital Transformation.	We have made several changes to the governance of the digital transformation programme; including creating a business committee where the programme better integrates the delivery into the wider council as well as providing additional oversight.	The programme continues to be monitored by the IT strategy board and continues to engage the wider authority in a number of ways	**F&G**
Ensuring compliance regarding the governance arrangements for the new Local Plan.	The Hearing Sessions of the Examination in Public into the Submitted Draft Local Plan was completed in December 2018 by a Government Inspector. Proposed modifications to the Plan arising from this examination have been agreed with the Inspector and will be subject to a final round of public consultation in the Summer of 2019.	Adoption of the Local Plan is programmed for the Autumn of 2019.	**F&G**

Ensuring compliance regarding the governance arrangements for the changes in Housing Services.	The transformation of the housing service has continued throughout 2018/19, with the new staffing structure being implemented and all posts recruited to. A suite of Key Performance indicators has been developed to monitor performance, alongside regular budget monitoring. New staff have undergone training and have been supported by the internal support process to ensure roles are well understood.	KPIs are reported regularly to the Cabinet Portfolio holder and Director. Additional KPIs are being added to improve monitoring during 2019/20. Issues causing overspend against the 2018/19 budget have been identified and corrective measures are being put in place for 2019/20.	**E,F&G**
Ensuring compliance regarding the governance arrangements for the Museum redevelopment.	Throughout 2018/19 the Museum Project Board have met to receive update reports and reviewed the project progress against the agreed programme. They have reviewed the management of risk, monitored the financial budget and assessed the development of the project against the agreed aims and objectives of the project.	This has included reviewing the procurement process of the main contracts (main works contractor, fit-out contractor, café operator), as well as the approval and challenge of decisions involving the Museum branding and communications strategy, as well as the value engineering elements of the main contract and fit-out contract, resulting in the overall project remaining within budget.	**F&G**

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 sustainable 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