

# **JOINT MEETING OF THE AUDIT AND GOVERNANCE COMMITTEES**

**16 June 2021 at 7pm**

**Council Chamber, Civic Centre, Chelmsford**

## **Membership**

### **Councillors**

H. Ayres, K. Bentley, N. Chambers, D.J.R. Clark, N.A. Dudley, J. Galley, D.G. Jones, G.B.R. Knight, J.M.C. Raven, E.J. Sampson, M. Sismey, A.B. Sosin, N.M. Walsh, 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. However, numbers must necessarily be restricted owing to distancing requirements and if you wish to attend you will need to obtain an admission pass beforehand. To apply for an admission pass or find out more about attending please email [daniel.bird@chelmsford.gov.uk](mailto:daniel.bird@chelmsford.gov.uk) or telephone on Chelmsford (01245) 606523

# Joint Audit and Risk Committee

16 June 2021

## AGENDA

### 1. Election of Chair

### 2. Apologies for Absence and Substitutions

### 3. Minutes

To consider the minutes of the joint meeting held on 17 June 2020

### 4. Declaration of Interests

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

### 5. Public Question Time

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

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

Owing to social distancing requirements, it is necessary to limit the number of members of the public attending the meeting. Any member of the public wishing to attend, whether as an observer or to ask a question or make a statement, should email [committees@chelmsford.gov.uk](mailto:committees@chelmsford.gov.uk) in advance of the meeting. If space permits, they will be sent an admission pass which must be presented on arrival.

### 6. Announcements

7. Review of the Local Code of Corporate Governance and Annual Governance Statement 2020/21

8. Urgent Business

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

**MINUTES**

of the joint meeting of the

**AUDIT AND RISK AND GOVERNANCE COMMITTEES**

held on 17 June 2020 at 7pm

Present:

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

Also in attendance - Parish Councillor, V. Chiswell  
Independent Person, P. Mills

**1. Election of Chair**

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

**2. Apologies for Absence and Substitutions**

Apologies for Absence were received from Councillor E J Sampson and Parish Councillor Jackson.

**3. Minutes**

The minutes of the meeting held on 18 June 2019 were agreed as a correct record and signed by the Chair.

**4. Declaration of Interests**

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

**5. Public Question Time**

No questions were asked or statements made.

**6. Announcements**

No announcements were made.

**7. Review of the Local Code of Corporate Governance and Annual Governance Statement 2019/20**

Members considered a report on the updated Local Code of Corporate Governance and the Annual Governance Statement 2019/20, which the Council's procedures required be

approved at a joint meeting of the Audit and Risk and Governance Committees. The Code, which formed part of the Council's ethical framework, showed how it complied with the seven core principles for managing its governance arrangements set out in the CIPFA/SOLACE guidance.

The Code set out the criteria on which the Annual Governance Statement was based. The Statement in turn examined the measures in place to ensure that the Council had effective governance, risk management and internal control processes and was used to identify any shortcomings in those areas. The Statement highlighted those areas of governance regarded as important in 2019/20, how they were addressed and the progress made.

In response to questions from members, it was noted that:

- The assurance processes were monitored by various areas, including audits, feedback from officers and members along with Committee meetings. It was also noted that plans were in place for a Corporate Governance group which would add to this further.
- The Council's adoption of the Charter on Modern Day Slavery would be added to the documents.
- The Council's new Local Plan had been adopted just after the end of the 2019/20 financial year. It would therefore feature in next year's document.
- Once libraries reopen, consideration would be given to sending them minutes of committee meetings, which could then be available to those members of the public without access to the internet.

RESOLVED that

1. the updated Local Code of Corporate Governance 2019-20 and the Draft Annual Governance Statement 2019-20 be approved and;
2. The Draft Annual Governance Statement be published with the statement of accounts.

## 8. Urgent Business

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

The meeting closed at 7.18pm.

Chair



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## Chelmsford City Council Joint Governance and Audit & Risk Committee

16<sup>th</sup> June 2021

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### Local Code of Corporate Governance and Draft Annual Governance Statement 2020/21

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Report by:

Legal and Democratic Services Manager

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Officer Contact:

Lorraine Browne, Legal and Democratic Services Manager

[Lorraine.browne@chelmsford.gov.uk](mailto:Lorraine.browne@chelmsford.gov.uk)

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#### Purpose

To present the updated Local Code of Corporate Governance 2021 and Draft Annual Governance Statement 2020/21 for Committee's approval.

#### Recommendations

The Joint Committee is requested to approve the updated Local Code of Corporate Governance 2021 and the Draft Annual Governance Statement 2020/21 for publication with the Statement of Accounts.

#### 1. Introduction

- 1.1. The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.2. In order to achieve effective corporate governance, the Council has adopted the guidance contained in the Guidance and Framework documents published by

CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 which identifies seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

1.3. These seven principles are:

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

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

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

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

- Describes the key elements of the Council's governance arrangements during 2020/21, covering all corporate systems and the range of activities for which the Council is responsible
- Identifies the evidence available where improvements have been made and focusses on examples of good practice
- Describes processes applied in reviewing their effectiveness
- Lists actions proposed to provide more effective governance arrangements

1.7. BDO will review the AGS as part of their external audit. Should any significant issues arise during their external audit, they may wish to revisit the AGS to ensure it accurately reflects the situation.

## 2. Conclusion

The Local Code of Corporate Governance and the AGS 2020/21 reflects the governance arrangements for the Council, and accordingly the task of approving the AGS falls jointly on the Governance and Audit & Risk Committee. This approach reflects good practice in aligning the work of the committees with responsibility for monitoring governance in the authority.

**List of appendices:** Local Code of Corporate Governance 2021 and Draft Annual Governance Statement 2020/21

**Background papers:** None

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### Corporate Implications

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

The Annual Governance Statement has to be approved prior to approving the Council's Statement of Accounts.

**Financial:** None

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

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

**Personnel:** None

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

**Equality and Diversity:** None

**Health and Safety:** None

**Digital:** None

**Other:** None

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**Consultees:** Management Team noted and endorsed the Local Code of Corporate Governance and Draft Annual Governance Statement on 2<sup>nd</sup> June 2021.

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**Relevant Policies and Strategies:** None

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## Local Code of Corporate Governance 2021

### Introduction

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

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

### The Principles of Good Governance

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

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

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

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

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

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

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

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

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

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

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

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

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

Supporting Principle	Evidence
<p><b>1. Developing the Council's capacity</b></p> <ul style="list-style-type: none"> <li>- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>- Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul> <p><b>2. Developing the capability of the Council's leadership and other individuals</b></p> <ul style="list-style-type: none"> <li>- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</li> <li>- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> <li>-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</li> <li>-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</li> <li>-ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul> </li> <li>- Ensuring that there are structures in place to encourage public participation</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Constitution</a></li> <li>- <a href="#">Terms of Reference for Member Bodies</a></li> <li>- <a href="#">Officer Scheme of Delegation</a></li> <li>- <a href="#">Protocol for relations between Members &amp; Officers</a></li> <li>- <a href="#">Members access to Officers (and vice versa) is maintained</a></li> <li>- <a href="#">Apprenticeship Scheme</a></li> <li>- <a href="#">Investors in People Gold Status</a></li> <li>- <b>Chelmsford Values and Behaviours</b></li> <li>- <b>OurConversations</b></li> <li>- <b>Departmental Meetings</b></li> <li>- <b>Staff Forum and Survey</b></li> <li>- <b>Officer Induction Programme and Corporate Welcome</b></li> <li>- <b>Member Training and Induction</b></li> <li>- <b>Job Descriptions</b></li> <li>- <b>Organisational Development Strategy</b></li> </ul>



Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>- Holding staff to account through regular performance reviews which take account of training or development needs</li> <li>- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</li> </ul>	

### 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
<p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>- Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul> <p><b>2. Managing performance</b></p> <ul style="list-style-type: none"> <li>- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>- 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</li> <li>- 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</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Risk Management Strategy and Framework</a></li> <li>- <a href="#">Principal Risk Register</a></li> <li>- <a href="#">Audit &amp; Risk Committee</a></li> <li>- <a href="#">Overview &amp; Scrutiny Committee</a></li> <li>- <b>Committee Agendas published before deadlines</b></li> <li>- <a href="#">Internal Audit reports to Audit Committee</a></li> <li>- <a href="#">Audit Plan</a></li> <li>- <a href="#">Capital and Revenue Monitoring reports to Audit Committee</a></li> <li>- <a href="#">Treasury Management Committee and Strategy</a></li> <li>- <a href="#">Reports from Cabinet Members</a></li> <li>- <a href="#">Information Requests – Publication policy, scheme and web pages</a></li> </ul>



Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</li> </ul> <p><b>3. Robust internal control</b></p> <ul style="list-style-type: none"> <li>- Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>- Evaluating and monitoring risk management and internal control on a regular basis</li> <li>- Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</li> <li>- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</li> </ul> <p><b>4. Managing data</b></p> <ul style="list-style-type: none"> <li>- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul> <p><b>5. Strong public financial management</b></p> <ul style="list-style-type: none"> <li>- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<p><a href="#">- Data Protection – Privacy Policy and web pages</a></p>

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

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

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

## **ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

### **1. Scope of responsibility**

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

### **2. The purpose of the governance framework**

- 2.1. The governance framework comprises:
  - the systems, policies, processes, culture and values by which the Council is directed and controlled; and
  - the Council's activities through which it accounts to, engages with and leads the community.
- 2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control, is based on an on-going process designed to:
  - identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;

- evaluate the likelihood of those risks being realised and the impact should they be realised; and
  - manage those risks efficiently, effectively and economically.
- 2.4. The governance framework outlined in this document has been in place at Chelmsford Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.
- 2.5. It should be noted that from March 2020, the Council was affected by the Covid-19 pandemic and the initial impact of the outbreak of Covid 19 was emerging at the time of the completion of the 2019/20 AGS. Inevitably, the pandemic continued to affect service delivery across the organisation and the subsequent responses, actions and effects on the Council are included throughout this 2020/21 statement.

### 3. The Governance Framework

- 3.1. The Council's Governance Framework has been set up over successive years and is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance (as updated in 2016).
- 3.2. Key highlights from the Governance Framework in place at Chelmsford City Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

Good Governance Principle	Chelmsford Council Key Elements 2020/21
<p><b>Principle A</b></p> <p><b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</b></p>	<p>✓ Member and Officer Code of Conduct form part of the Council's <a href="#">Constitution</a>. Officer Code of Conduct was revised in November 2019 to include new sections: Principles of Public Life; Disclosure of Criminal Convictions during employment; Environmental impact; Social Media; Communications and Publication; Working and contact with the media; Safeguarding. New joiners must sign off on the Officer Code as part of their induction. A planned review of the Member Code of Conduct was awaiting the publication of the LGA Model Code of Conduct. The Model Code was published in December 2020 and the review of the Member Code was started during 2020/21 with completion now planned for summer 2021 (see further paragraph 3.10).</p> <p>✓ The Council launched new corporate values and behaviours in 2019: Accountability, Creativity, Learning and Encouraging, Collaboration and Trust. A Values "Pulse Check" survey was carried out with Managers in March 2021 to assess the impact of Covid-19 on how the Council</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>operates and assess what and how the Council can improve to benefit the organisation and the community.</p> <ul style="list-style-type: none"> <li>✓ The Council embarked on a refresh of its officer performance appraisal process in line with its new corporate values and behaviours although the project was delayed due to Covid-19. The new process named OURconversations was launched in April 2021 and its primary focus is to encourage more frequent forward-thinking dialogue between managers and employees.</li> <li>✓ <a href="#">Governance Committee</a> continues to monitor complaints and investigations under the standards regime</li> <li>✓ Refreshed policies and procedures on Member and Officer declarations of interests and of gifts and hospitality were launched on SharePoint during 2019, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee has agreed that gifts and hospitality received by members will be published on the website with quarterly updates.</li> <li>✓ The Council's Anti-Fraud and Corruption Strategy (March 2019), brings together anti-bribery, anti-money laundering and the fraud response plan.</li> <li>✓ The whistleblowing policy is available to staff, key stakeholders and the general public <a href="#">via the Council's website</a>. <a href="#">Service-related complaints</a> and <a href="#">complaints about a Councillor</a> can also be reported online.</li> <li>✓ The <a href="#">Council's Modern Slavery and Human Trafficking Statement</a> sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains.</li> <li>✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible. This is set out in the Council's <a href="#">Social Value Procurement Policy and Strategy 2020-25</a>.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>✓ The <a href="#">Articles of the Constitution</a>, define the Monitoring Officer's role to ensure that all decisions comply with statutory requirements and are lawful.</p> <p>✓ Ethical Awareness Training has been delayed due to Covid-19 but it is intended to be rolled out during 2021/22.</p>
<p><b>Principle B</b></p> <p><b>Ensuring openness and comprehensive stakeholder engagement</b></p>	<p>✓ The Council has an FOI <a href="#">publication scheme</a> (this was updated January 2021) on its website and also publishes <a href="#">certain information</a> in line with the Local Government Transparency Code 2015. The Council also updates its FOI requests relating to Business Rates <a href="#">quarterly</a>.</p> <p>✓ The Council's Annual Statement of Accounts is <a href="#">published online</a></p> <p>✓ Comprehensive <a href="#">Council Tax information is available online</a> and was updated in 2020/21 to provide additional explanation of the Special Expenses mechanism, following a review during the year</p> <p>✓ Council, Cabinet and committee meetings are open to the public and guidance on attending and speaking at public meetings is available <a href="#">online</a>. As a result of the Covid-19 Pandemic, local authorities were permitted to hold virtual meetings from 4 April 2020, under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. Remote council meetings have generally worked well and have secured good attendance levels by members during the pandemic to enable democratic decision making to continue and increased public engagement levels. Following the court ruling that the legal power to hold remote meetings had lapsed, the Council has made appropriate Covid – safe arrangements to resume in person committee meetings. Should Parliament re-enable remote meetings the Council will further review its position and consider returning to remote meetings. (see also paragraph 3.10)</p> <p>✓ A <a href="#">calendar of meetings</a> ensures that timely reports are submitted to, <a href="#">published</a> by and distributed by Legal and Democratic Services to ensure Members' information needs, and relevant statutory deadlines, are met.</p> <p>✓ A full record of decisions made in, and supporting material presented to, Committees, Cabinet and full Council is <a href="#">published online</a>.</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are also issued in advance/made available <a href="#">online</a> (as appropriate).</p> <p>✓ Further detail on stakeholder engagement is available in the <a href="#">Council's Consultation and Engagement Strategy</a>.</p> <p>✓ The Monitoring Officer continues to provide guidance for Parish Councils on the standards regime.</p>
<p><b>Principle C</b>  <b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p>	<p>✓ The Council's <a href="#">Local Plan</a> was adopted on 27 May 2020. This sets out sustainable development objectives, policies and a Spatial Strategy in the period to 2036. In accordance with the Local Plan, masterplans are being prepared for the strategic development sites. Masterplans for <a href="#">North of Broomfield</a>, <a href="#">West Chelmsford</a> and Land north of <a href="#">South Woodham Ferrers</a> have been prepared, consulted upon and approved in the period up to 31 March 2021. Three Supplementary Planning Documents to implement the policies of the Local Plan have also been adopted in this period. These cover design and sustainability (<a href="#">Making Places SPD</a>), securing infrastructure and affordable housing (<a href="#">Planning Obligations SPD</a>) and a mitigation measures for protected habitat sites (<a href="#">Essex Coast Recreation disturbance and Avoidance Mitigation SPD</a>).</p> <p>✓ <a href="#">Our Chelmsford, Our Plan</a> (January 2020) is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate.</p> <p>✓ The Council's evolving strategic planning framework will ensure that operational activities link directly to Our Chelmsford, Our Plan priorities. The Our Plan Action Plan breaks down strategic actions to measurable economic, social and environmental outcomes for monitoring through T1 (OneCouncil).</p> <p>✓ In July 2020, the Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community</p>



Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors.</p> <p>✓ In line with the <a href="#">Public Sector Equality Duty</a>, the Council's Equalities Impact Assessment regime has been strengthened to ensure fair access to services.</p>
<p><b>Principle D</b></p> <p><b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<p>✓ Directors meet regularly with both their Cabinet Members and the Chief Executive to discuss progress in their respective areas of responsibility.</p> <p>✓ The Medium-Term Financial Strategy (MTFS) 2021-26 details a sustainable funding strategy for the Council, taking account of Our Chelmsford, Our Plan objectives and informing annual budget setting. A detailed and comprehensive MTFS was presented to Cabinet and Council in July 2020, which included scenario planning for the impact of Covid-19 on the Council's income, the potential level of Government support and the effect on the Council's level of reserves. This enabled a range of actions to be implemented in response to the pandemic, in order to ensure a robust financial approach to the risks identified. An updated MTFS was considered by Council in December 2020, reporting against the agreed actions and updating the financial forecast, ahead of detailed annual budget setting in February 2021.</p> <p>✓ Financial monitoring arrangements ensure that budget information is readily available to a variety of stakeholders to inform decision-making – including senior managers, Management Team and Cabinet Members, alongside formal reporting to Audit and Risk Committee at outturn, mid-year review to Overview and Scrutiny Committee and regular reporting to Cabinet. During 2020/21, this has been supplemented by external reporting of the financial impact of Covid-19 to MHCLG. In addition, a series of budget review sessions have been implemented to provide Cabinet Members with a detailed review of individual areas of the Council, to provoke challenge and discussion, aid understanding and review the financial aspects of service delivery.</p> <p>✓ In its Medium-Term Financial Strategy, the Council committed to undertaking a self-assessment against Cipfa's new Financial Management Code (FM Code) and producing an action plan to meet any shortfalls. The FM</p>



Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Whilst there has been a short delay due to pressures of Covid-19, it is intended to update Council as to progress alongside the next iteration of the MTFS.</p> <p>✓ The Council's Performance is monitored as follows:</p> <ul style="list-style-type: none"> <li>• A programme of deep-dive performance reviews is presented to Overview &amp; Scrutiny Committee throughout the year, each review focussing on a specific area of Council activity.</li> <li>• Two key strategic plans identified above, the Climate and Ecological Action Plan and the Health and Wellbeing Strategy are now monitored through T1 (OneCouncil), reported to Members in January and February 2021 respectively.</li> <li>• The first formal progress update to Overview &amp; Scrutiny Committee in respect of Our Plan actions, to be collated via T1 (OneCouncil), is scheduled for September 2021.</li> <li>• Operational PIs continue to be monitored locally, where these are considered to add value. The Council's strategic KPIs will evolve as Our Plan monitoring develops.</li> <li>• Major Income Streams (formerly 'high risk income') PIs continue to be circulated monthly to senior management and Cabinet members</li> </ul> <p>✓ In June 2020, the <a href="#">Chelmsford Policy Board</a> resolved to merge two former working groups to form the new Housing Working Group, whose workstreams now include developing the Council's new Housing Strategy and overseeing the delivery of both the Homelessness and Rough Sleeper Strategy (HRSS) and the Housing Strategy. At operational level, HRSS 'Actions and Outcomes' continue to be tracked through departmental meetings.</p> <p>✓ <a href="#">Chelmsford Policy Board</a> (joint Members and Officer) Working Groups oversee implementation of the dedicated strategies and actions plans they have been developing since 2019/20, recommending interventions to Cabinet as necessary. The Board received an annual report on 4 June 2020 which summarised the activities of its Working Groups over the past year and their intended work in 2020/21. The Chairs and members of the Working Groups have also provided updates on their work to the Board.</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>✓ <a href="#">Chelmsford Garden Village Delivery Board</a> is in place to oversee specific elements of the new Local Plan.</p> <p>✓ The <a href="#">Chelmsford Community Response Hub</a>, was run in partnership by Chelmsford City Council and Chelmsford Voluntary Service (CVS), provided assistance to vulnerable and self-isolating Chelmsford residents in need of support during the Covid 19 pandemic in 2020. Hundreds of volunteers helped carry out practical tasks including collecting and delivering food and supplies. The CVS has also supported residents with collecting prescriptions, welfare checks, and befriending.</p>
<p><b>Principle E</b>  <b>Developing the Council's capacity, including the capability of its leadership and the individuals within it</b></p>	<p>✓ The Council's <a href="#">Constitution</a> is available on the Council's website and subject to ongoing review, as overseen by the Constitution Working Group.</p> <p>✓ The Council's People Strategy and Workforce Plan 2020-2022/ Organisational Development Strategy 2020 sets out how the Council will develop and utilise its workforce to meet Our Chelmsford, Our Plan objectives.</p> <p>✓ During Spring 2021 the Council will be embarking on a new Cultural change project. This will explore the lessons learnt during the pandemic and the opportunities presented to ensure we can harness the benefits from new ways of working. It will explore how aspirational we want to be, what our goals are and what that means for the way we need to behave.</p> <p>✓ The Council's wider training offer is scheduled to be refreshed in April 2021, including full alignment with the new corporate values and behaviours.</p> <p>✓ A comprehensive member induction and training programme is set out in individual Committee work programmes and refresher sessions ran during Autumn 2020.</p> <p>✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events and the employee assistance programme.</p> <p>✓ The Council furloughed staff as a result of the Covid 19 pandemic which had impacted hugely on the Council's everyday operations and services. A number of staff and casual workers in income generating roles from Hylands, Sports centres, Theatres, Museums, Culture, Car Parks and SEPP were furloughed. Of these a number were</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>redeployed to other roles in the Council including the Community Hub. Homeworking Workstation assessment guidance was provided for managers and staff resulting in provision of some equipment to enable home working as needed and PPE was provided for operational staff.</p> <p>✓ Mental health wellbeing support is provided in a number of ways including Employee Assistance programme, Mental Health First Aiders, Wellness action plans and weekly GEM articles.</p> <p>✓ The Council participates in a number of partnerships, including <a href="#">Safer Chelmsford</a>, <a href="#">South Essex Parking</a>, <a href="#">Essex Online</a>, and works closely with Essex County Council on a number of initiatives: Mid Essex Children's Partnership Board, Essex Safeguarding Adults Board, and Chelmsford Youth Strategy Group. The Health Protection Board and Strategic Coordinating Group were invoked in 2020 due to the Covid 19 pandemic.</p>
<p><b>Principle F</b></p> <p><b>Managing risks and performance through robust internal control and strong financial management</b></p>	<p>✓ The Council responded to the initial Covid-19 emergency in accordance with Public Health England guidance and participated in the pan-Essex Emergency Planning response coordinated through the <a href="#">Essex Resilience Forum</a>.</p> <p>✓ A high-level review, supplemented by discussions with key officers, of the Council's response to Covid-19 (post Incident Management phase) was undertaken by Internal Audit in September 2020 and reported to Management Team.</p> <p>✓ The Council's main Finance System was replaced in November 2020 with T1 (OneCouncil) which is an integrated platform and includes: General Ledger and Budget management; Customer invoicing and debt management; Purchase ordering; Contract and Supplier Management; Risk Management information; and Corporate Plan Action Tracking. Post-implementation review is ongoing and Additional work from External Audit is expected during the audit of the financial statements.</p> <p>✓ The Council's Risk Management Strategy (progress against the strategy reviewed by <a href="#">Audit &amp; Risk Committee</a> in May 2020) recognises that risk management is an integral part of Council activities.</p> <p>✓ Central to the risk framework is the identification and management of the Council's Principal Risks, each assigned to a Directorate lead. Quarterly reporting to</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>Management Team and six-monthly reporting to <a href="#">Audit &amp; Risk Committee</a> ensures arrangements are working effectively. This also now reflects the impact of Covid-19 on the Principal Risks.</p> <ul style="list-style-type: none"> <li>✓ The Internal Audit Annual Report to Audit &amp; Risk Committee confirms that an effective internal audit service is resourced and maintained</li> <li>✓ The Council Principal Risks and Internal Audit Plan are aligned the Our Chelmsford, Our Plan objectives</li> <li>✓ In response to the increased risk relating to the Council's Cyber Security as a result of Covid 19, the Council commissioned an independent "posture review" in 2021 to assess its current maturity with regards to information and cybersecurity. The subsequent action plan and ongoing cyber risk will be monitored through T1 (OneCouncil).</li> <li>✓ The Chief Financial Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Further detail on financial reporting during 2020/21 is set out under Principle D. During 2020/21, review of the actions within the MTFS were incorporated into the internal audit work programme to ensure progress against key strategic outcomes and financial sustainability continues to be assessed in detail as part of the Principal Risk Register.</li> <li>✓ The self-assessment against the FM Code, referred to under Principle D, will further support good financial management. The FM Code establishes six principles of good financial management underpinned by financial management standards. The Code also references other Cipfa codes of practice and the principles of good governance as set out in this Annual Governance Statement, enabling its use as a self-assessment tool to ensure good financial management and good governance in its wider sense. Work is underway on the Council's self-assessment.</li> <li>✓ The Council's approach to counter-fraud is informed by the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014) and was assessed by Internal Audit in 2021 using the 2020 Fighting Fraud &amp; Corruption Locally Checklist. The Council also participates in mandatory NFI exercises.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>✓ Business rates expanded reliefs and emergency grants provided by the Government to support businesses and organisations during the pandemic were approved under urgency delegation to the Chief Executive following consultation with the Leader. These were subsequently reported to Overview and Scrutiny Committee and enabled officers to distribute the funds to support the local economy in line with Government guidance. To identify and assess the level of fraud and error in Covid 19 Grant schemes the Council have also utilised Spotlight and local checks in line with Government Guidance for pre and post payment assurance.</p> <p>✓ The Audit &amp; Risk Committee is constituted in line with, and operates with regard to, the CIPFA Position Statement on Audit Committees and associated Practical Guidance for Local Authorities (2018). A self-assessment of compliance and training needs analysis was conducted with Audit &amp; Risk Committee Members in March 2021 with the outcomes forming a forward plan of training.</p> <p>✓ During 2019/20, the Council's designated Data Protection Officer has coordinated a review of the Council's Information Governance Policy and Data Breach Policy and Procedure, in conjunction with the new policy framework developed by Digital Services to counter cyber risk. Appropriate action has been taken to protect and mitigate the potential impact to the Council and those whose information is held by it. The Council has established policies for <a href="#">Freedom of Information</a>, <a href="#">Environmental Information</a> and <a href="#">Data Subject requests</a>, and ensures continuous improvement under its GDPR Compliance Action Plan.</p>
<p><b>Principle G</b>  <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b></p>	<p>✓ As detailed above, a vast array of information is accessible to the general public via the <a href="#">Council's website</a> in an understandable style appropriate to the intended audience.</p> <p>✓ A Corporate Governance Group was formed in 2020, bringing together relevant staff across the organisation who are accountable for delivery of various governance arrangements. The purpose of the CGG is to oversee, co-ordinate and advise on the effective development and consistent operation of corporate governance arrangements in the Council. The Group's Terms of Reference was approved by Management Team on 15th July 2020, setting out its main objectives, Membership,</p>

Good Governance Principle	Chelmsford Council Key Elements 2020/21
	<p>Accountability and Reporting Arrangements. 2020/21 activities have included: governance stakeholder mapping exercise to highlight any duplications/gaps in the governance monitoring and reporting arrangements and compilation of External Reports and Accreditations that may impact on wider governance, in addition to oversight of the annual review of the Local Code of Corporate Governance and Annual Governance Statement 2020/21.</p> <p>✓ The <a href="#">Annual Governance Statement</a> is subsequently presented to the Leader and Chief Executive, approved by Joint Audit &amp; Risk and Governance Committee and published alongside the <a href="#">Statement of Accounts</a>.</p> <p>✓ Governance Committee, Audit &amp; Risk Committee, and Overview &amp; Scrutiny Committee report annually on their work to full Council.</p> <p>✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council, as acknowledged on a quarterly basis in the Council's Principal Risk Register.</p>

### Review of effectiveness

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

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

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

- A **robust Internal Audit function** where the planned work is based on identified key risk areas. The Council's Internal Audit Service arrangements conform to Public Sector Internal Audit Standards



- An **embedded reporting system for internal audit issues** also that ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the Audit & Risk Committee.
  - A **comprehensive risk management process** which ensures the Principal Risks across the Council are captured and reported to Management Team and Members.
  - A **comprehensive budget monitoring process** including access for senior managers to live financial information and latest budget forecasts, with quarterly reporting to Management Team and biannual reporting to Cabinet.
- 3.5. The outcome of the review is presented in 3.10 below, which detail areas for improvement during 2021/22.

### 3.6. Effectiveness of Other Organisations

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

### 3.7. Internal Audit Opinion

- The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The annual opinion given for 2019-20 was Moderate Assurance.
- The work undertaken during 2020-21 has enabled the Audit Services Manager to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. For the year-ended 31<sup>st</sup> March 2021, the opinion is that the adequacy and effectiveness of the Council's arrangements is *Moderate Assurance* – overall the Council's systems for control, risk and governance are generally adequate with some

improvement required. Revision to assurance ratings and residual risks will be closely monitored through follow-ups in 2021/22. Further detail on audit outputs is provided in the Internal Audit Annual Report.

### 3.8. External Audit and Inspectorates

- In May 2021, the annual external audit produced an unqualified opinion in 2019/20 on both the Statement of Accounts and the Council's use of resources.
- RIPA Inspection (March 2020). The Council demonstrated a level of compliance that removed the need for a physical inspection. Some actions were identified which have been completed during 20/21 (see actions noted in 3.9)

### 3.9. Review of Actions from 2019/20 Annual Governance Statement

2019/20 AGS	Action taken in 2020/21 to address the issue
<p><b>Monitoring the impact of Covid-19 on Council governance arrangements:</b></p> <ul style="list-style-type: none"> <li>• Impact of delivering local government response: <ul style="list-style-type: none"> <li>○ Changes to Council Meetings and decision-making arrangements</li> <li>○ New collaborative arrangements</li> <li>○ Funding and cash flow challenges</li> </ul> </li> <li>• Impact on business as usual in the delivery of services</li> <li>• Impact of new policies and procedures, and emergency assistance</li> <li>• Impact of longer-term disruption and consequences: <ul style="list-style-type: none"> <li>○ Delay to existing projects and programmes</li> </ul> </li> </ul> <p>Identification of new risks/escalation of existing risks</p>	<p>From March 2020, the Council was affected by the Covid-19 pandemic and the initial impact of the outbreak of Covid 19 was emerging at the time of the completion of the 2019/20 AGS. Inevitably, the pandemic continued to affect service delivery across the organisation and the subsequent responses, actions and effects on the Council are included throughout the above 2020/21 statement.</p>
<p><b>Overview and Scrutiny role – performance management -</b> Continuation from 2019/20. Cabinet Members to attend Overview and Scrutiny meetings as part of their role in reviewing</p>	<p>Implemented - arrangements have been made for Cabinet Members to attend O &amp; S meetings as appropriate.</p>



2019/20 AGS	Action taken in 2020/21 to address the issue
Council activities and local performance measures.	
<b>RIPA (Regulation of Investigatory Powers Act)</b> - Review of Policies and Procedures	A RIPA officer working group was established to support ongoing compliance requirements including monitoring outstanding actions identified by the Council or the inspector. Updated RIPA and RIPA social media policies have both been adopted by the Council, and a review of training needs which has identified ongoing actions. The working group will continue to monitor any ongoing actions that are necessary to maintain the requisite level of compliance.
<b>Capital and Investment Strategy</b> - To review the monitoring approach of the Council's Capital and Investment Strategy (via the Treasury Management Sub Committee).	The Terms of Reference for the Treasury Management Sub Committee were revised in May 2020 following approval by Council, after consideration by the Governance Committee. The revised terms expanded the remit of the Committee (now named the Treasury Management and Investment Sub Committee (TMISC)) to include strategy recommendations for both cash and non-cash investments, and encompassing both the Treasury Management and the Investment Strategies, while the Capital Strategy was separated from the Investment Strategy and continued to be dealt with via Cabinet and Council. Subsequent meetings of the TMISC established the monitoring data required by Members in respect of non-cash or property investment and considered the Investment Strategy before recommendation to Cabinet. A rolling programme of strategy development, mid-year review and outturn report have now been established.
<b>Corporate Governance Group Trial-</b> To trial the development of a Council-wide Corporate Governance Group in order to monitor the effective development and operation of corporate governance arrangements in the Council and to	The purpose of the CGG is to oversee, co-ordinate and advise on the effective development and consistent operation of corporate governance arrangements in the Council. The Group's Terms of Reference was approved by Management Team on

2019/20 AGS	Action taken in 2020/21 to address the issue
regularly review and monitor compliance with the council's Local Code of Corporate Governance.	15 <sup>th</sup> July 2020, setting out its main objectives, Membership, Accountability and Reporting Arrangements. 2020/21 activities have included: governance stakeholder mapping exercise to highlight any duplications/gaps in the governance monitoring and reporting arrangements and compilation of External Reports and Accreditations that may impact on wider governance, in addition to oversight of the annual review of the Local Code of Corporate Governance and Annual Governance Statement 2020/21.

### 3.10. Areas for improvement or monitoring during 2021/22:

Area	Action to be taken in 2021/22	Responsible Officer
<b>Remote Meetings – EIA/DPIA</b>	Draft assessments already undertaken. Given there is currently no power to hold remote meetings the Council will impact assess current arrangements. Should Parliament legislate to re enable remote meetings and the Council resumes remote meetings its arrangements will be further impact assessed.	Monitoring Officer
<b>Member Code of Conduct</b>	Consideration of proposed changes to the Member Code of Conduct to be considered by the Constitutional Working Group and Governance Committee prior to final consideration as to adoption of any changes at Full Council in July 2021.	Monitoring Officer
<b>Governance of Budgetary Control</b>	Develop plan to ensure delivery of 2021/22 budget savings and identify options to close the potential budget gap for 2022/23, taking account of consultation requirements and stakeholder engagement and ensuring Member involvement in developing proposals.	Chief Financial Officer
<b>Procurement and Social Value</b>	To embed, train and develop the Procurement and Social Value Policy during 2021/22.	Procurement and Risk Services Manager

Area	Action to be taken in 2021/22	Responsible Officer
<b>Financial Management Code</b>	To complete a self-assessment against standards in the Code, develop action plan for any improvements identified and agree with Management before reporting results to Members.	Chief Financial Officer

#### 4. Certification

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

Signed.....

Leader of the Council

Signed.....

Chief Executive

Date: 2021