ANNUAL GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31st MARCH 2025

1. Scope of responsibility

1.1. Chelmsford City Council ('the Council') has a duty under the Local Government Act 1999 to make arrangements that ensure continuous improvement in the way it works in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that Council business is conducted in accordance with the law and that public money is safeguarded and properly accounted for.

1.2. To fulfil this responsibility, the Council must put in place proper arrangements for the governance of its affairs and carrying out its functions, which includes arrangements for managing risk.

1.3. The Council has approved and adopted a Code of Corporate Governance which is consistent with the seven principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government 2016*.

1.4. This statement explains how the Council has complied with the Code. It also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is "an open and honest self-assessment", which:

- describes key elements of the Council's governance arrangements, covering key corporate systems and the range of activities for which the Council is responsible;

- describes processes applied in reviewing their effectiveness, and

- lists actions proposed to deal with significant governance issues identified.

2. The purpose of the governance framework

2.1. The governance framework comprises:

- the systems, policies, processes, culture and values by which the Council is directed and controlled; and

- the Council's activities through which it accounts to, engages with and leads the community.

2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to: identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage those risks efficiently, effectively and economically. The governance framework outlined in this document has been in place at Chelmsford Council for the year ended 31 March 2025.

3. The Governance Framework

3.1. The Council's Governance Framework is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance.

3.2. Key highlights from the Governance Framework in place at Chelmsford City Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
Principle A **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**	✓ Member and Officer Code of Conduct form part of the Council's Constitution. The latest version of the Local Government Association's Model Code of Conduct for Councillors was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022. ✓ All serving city councillors have attended code of conduct training. Two vacancies arose in March 2025 and the new city councillors elected on 2/5/25 will be provided with training as part of their induction. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023. ✓ The Employee Code of Conduct was reviewed in light of the changes to the Member Code of Conduct to establish whether changes are necessary to bring the Employee Code of Conduct into alignment. The employee code was already similar to the LGA Model code and no changes were considered necessary (as reported to Governance Committee in January 2023). ✓ Following approval by Full Council in July 2022 of the reviewed and refreshed Council's Financial Rules which form part of the Constitution, corresponding Practice Notes were updated in 2023. A review of the rules and practice notes is planned for 2025. ✓ Policies and procedures on Member and Officer declarations of interests and of gifts and hospitality are available, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee received an update from the Monitoring Officer in January 2025 relating to declaration of interests and gifts and hospitality. The Council is rolling out new online forms for officer declarations of interests and gifts/hospitality. As at 31st March 2025 this is nearing completion. Annual updating of members and officer declarations is also now in place. These arrangements continue to be overseen by Governance Committee.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ The Council's Counter Fraud Strategy ensures the Council approach to the prevention and detection of fraud is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. It encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy were set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register and development of a new Fraud Response Plan. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises.
	✓ The whistleblowing policy is available to staff, key stakeholders and the general public via the Council's website. A review of the Whistleblowing Policy was undertaken by the Monitoring Officer and reported to Governance Committee in January 2023 which confirmed the current policy is compliant with legislation. An Annual Whistleblowing Report was provided to Governance Committee in January 2025 which noted that there were no concerns to report.
	✓ During 2024/25, a training and awareness programme via TED e-learning covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. Going forward, the programme will be used for all new starters and Members as part of their mandatory induction training. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff.
	✓Service-related complaints and complaints about a Councillor can also be reported online. Governance Committee continues to monitor complaints and investigations under the Standards regime and received the annual review of Complaints to the Local Government and Social Care Ombudsman in October 2024. Members were also informed of the new Complaints Handling Code which would be taken into account from April 2026 which the Council is reviewing during 2025.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ The Council's Modern Slavery and Human Trafficking Statement sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains. The Chelmsford Against Slavery Partnership (CASP) continues to work closely in partnership with law enforcement, charities and the voluntary sector in order to pledge to make Chelmsford a slavery free city. The Council will continue to raise awareness of, and disrupt, Modern Day Slavery practices within the Council's area, operations and supply chain. The CASP Steering Group provides updates to the One Chelmsford Board and Overview and Scrutiny Committee on its progress.
	✓ 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 Social Value Procurement Policy and Strategy 2020-25. The Annual Procurement Report was provided to Audit & Risk Committee in January 2025. It was confirmed that the Procurement Act 2023 is due to come into effect on 24th February 2025 which will have an impact on the delivery of procurement services within the Council, however, relevant training has been rolled out across the Council and the service has prepared for the implications.
	✓ The Articles of the Constitution, define the Monitoring Officer's role to ensure that all decisions comply with statutory requirements and are lawful.
	✓ Ethical Governance training was undertaken in relation to the adoption of the Model Code of Conduct during late 2022. Decision-Making awareness for Councillors Training was undertaken during 2021. Further training in relation to both elements was provided during the member induction process after May 2023 elections.
Principle B **Ensuring openness and comprehensive stakeholder engagement**	✓ The LGA Corporate Peer Challenge in December 2024 noted that the Council is delivering commendable outcomes for the people of Chelmsford but should consider being more outward about its delivery, further demonstrating their value to communities, partners, regionally and nationally. Although the council engages the community through specific consultations, for example the statutory requirement of the Local Plan, the CPC recommended that the Council

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	increases resident engagement and consultation about local priorities and use of resources. The Council has developed an action plan in response to the CPC recommendations.
	✓ Following the issue of the Government's white paper which announced plans for devolution and local government reorganisation in Essex, the Council established a webpage to keep all stakeholders up to date on the developments and key dates.
	✓ The Council has an FOI publication scheme on its website and also publishes certain information in line with the Local Government Transparency Code 2015. A review of the Council's compliance with the Transparency Code was undertaken during 2024 by the Corporate Governance Group. The Council also updates its FOI requests relating to Business Rates quarterly.
	✓ To comply with its duty set out in the code of practice for local authority publicity to tell taxpayers about what the Council does on their behalf, the services the council provides, important announcements, like public health information, decisions that affect the area and how residents can get involved in those decisions, the Council maintains the Chelmsford City Life website.
	✓ The Council also have official social media profiles and accounts on Facebook, Instagram, Twitter, Nextdoor, LinkedIn and YouTube governed by the Council's social media house rules.
	✓ The Information Governance Annual Report 2024 noted that in 2023/24, the Information Governance Team, together with services, processed 934 information requests (comprising Freedom of Information, Environmental Information Regulations and Data Protection Act Subject Access Requests), 93% of which were answered within statutory timescales. This compares with 874 requests received in 2022/23 where 90% were answered within timescale. Additionally, one case relating to these information requests was referred to the Information Commissioner's Office (ICO) and the ICO upheld the Council's decision.
	✓ The Council's Annual Statement of Accounts is published online. The Council's accounts were authorised for issue on 26 February 2025 and the audit opinion issued on 27 February 2025 to meet the 28 February backstop date, as required by the Accounts and audit regulations (as amended). Ernst & Young could not complete the full audit due to national audit backlog impacting on audit resources, resulting in a disclaimed audit opinion. Further Ernst and Young cannot formally conclude the audit and issue their certificate until the National Audit Office as

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	group auditor has confirmed that no further assurances will be required from EY as component auditor for the Council.
	✓ Comprehensive Council Tax information is available online
	✓ Council, Cabinet and Committee meetings are open to the public and guidance on attending and speaking at public meetings is available online.
	✓ A calendar of meetings ensures that timely reports are submitted to, published by and distributed by Legal and Democratic Services to ensure Members' information needs, and relevant statutory deadlines, are met.
	✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are also issued in advance/made available online (as appropriate).
	✓ Further detail on stakeholder engagement is available in the Council's Consultation and Engagement Strategy.
	✓ The Monitoring Officer continues to provide guidance and training for Parish tier Councils on the standards regime.
Principle C **Defining outcomes in terms of sustainable economic, social and environmental benefits**	✓ The LGA Corporate Peer Challenge in December 2024 noted that there is "a relentless effort by the council to deliver positive outcomes for communities". There are visible positive working relationships between members and officers, working in collaboration and focused on delivering the 'Our Chelmsford, Our Plan' objectives. Partners find working with the Council easy and there are well formed relationships (e.g. One Chelmsford Partnership Board) that have resulted in positive outcomes, for example supporting health and wellbeing, public safety, and the cultural offer. The cultural offer also has further benefited the council's economy and is the driver for inward investment in the city; of particular note is the work on the cultural compact with partners such as Anglian Ruskin University.
	✓ Our Chelmsford, Our Plan was updated in February 2024 and is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate. The LGA Corporate Peer Challenge noted that it is supported by strong political and officer leadership, provides a clear organisational focus and purpose, and that the strategic

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	direction, political objectives and target outcomes were widely understood by members, staff, and partners.
	✓ The Council's Local Plan was adopted in May 2020. This sets outs sustainable development objectives, policies and a Spatial Strategy to accommodate new development growth in the period to 2036. In accordance with national policy, a review of the plan is required at least every five years. To this end, an Issues and Options consultation ran for 10 weeks to October 2022 to review the amount and potential locations for new development of homes, jobs and infrastructure, and areas for protection, such as open space and sites for wildlife which will cover the period to 2041. A consultation feedback document was published in February 2023 following consideration by Chelmsford Policy Board and a revision to the timetable to review the Local Plan was also agreed. Taking into account the consultation feedback, a Preferred Options Local Plan was agreed by Chelmsford Policy Board in March 2024 to be published for further public consultation in Spring 2024. A new Officer team was formed in July 2022 to deal with all planning matters relating to Chelmsford Garden Community.
	✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, from time to time the Council reviews and updates its Allocating and Spending CIL framework and publishes the document online. During 2023/2024 revised arrangements for spending CIL in the nine unparished wards and within the Garden Community were agreed at Cabinet. Spending arrangements will be kept under review, taking into account any changes to Government legislation.
	✓ The Council's Community Funding Scheme is available to voluntary or community organisations who work for the benefit of Chelmsford residents. There are three different grant schemes: Discretionary Fund Grant (revenue grants for voluntary and community organisations); Neighbourhood Community Infrastructure Levy (CIL) Grant in unparished wards (capital grants for community infrastructure); and Greener Chelmsford Grant (capital grants which support "green" community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan). Additional Council grants include Active Chelmsford (for projects or work aimed at engaging inactive residents of the Chelmsford district) and other CIL grants to external organisations that deliver the strategic infrastructure required to deliver the objectives of the Local Plan. During 2023/2024 and 2024/2025 Rural England Prosperity Fund grants were made available to business and community organisations in the rural area.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. The Council has also adopted the IHRA definition of antisemitism. The Council's activities in this field are monitored by the Anti-Racism Working Group which meets from time to time.
	✓ In line with the Public Sector Equality Duty, the Council publishes equality information (including workforce and gender pay gap data) and has set equality objectives to continually improve services to ensure equal access for all customers, work effectively with under-represented communities, promote equality and diversity through working practices and recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community.
Principle D **Determining the interventions necessary to optimise the achievement of the intended outcomes**	✓ The LGA Corporate Peer Challenge (CPC) in December 2024 considered five areas which are critical to councils' performance and improvement: Local priorities and outcomes, Organisational and place leadership, Governance and culture, Financial planning and management, and Capacity for improvement. Following publication of the CPC report, an action plan is due to be produced by May 2025 and a progress review will be undertaken by the LGA Corporate Peer Challenge team in October 2025 to provide space for the Council to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan.
	✓ Directors meet regularly with both their Cabinet Members and the Chief Executive to discuss progress in their respective areas of responsibility. Informal Cabinet sessions are also held regularly and the Chief Executive hosts regular all-Member Briefings.
	✓ The Annual Financial Review 2024/25 outlines the Council's overall financial outlook for current and future years. The financial planning takes account of Our Chelmsford, Our Plan

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	objectives which informs the annual budget setting. The budget report to February 2025 Full Council updates the forecast deficits for five-year period for revenue and capital and identifies how the reserves and deficits will be managed.

✓ 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, annual (mid-year) financial review to Cabinet and regular reporting to Cabinet members.

✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023. The actions are being monitored by the Council's S151 Officer.

✓ The Council developed a Power BI (Business Intelligence) performance management system in 2024 to connect performance indicators and outcomes to Our Chelmsford, Our Plan. The LGA Corporate Peer Challenge noted that there are good working practices between portfolio holders, directors, and service managers with ownership for improvement and delivery. The performance management system needs further embedding and development to ensure a wider organisational view is achieved, allowing greater scrutiny and oversight by members.

✓ A programme of deep-dive performance reviews is presented to Overview & Scrutiny Committee throughout the year, each review focussing on a specific area of Council activity. In 2024/25, these included: Planning Enforcement, Theatre Refurbishment Task and Finish Group, Cabinet Portfolio Updates, Annual Presentation by Safer Chelmsford Partnership and Essex Police, Annual Report of Key Housing Delivery Statistics, Responding to the Climate and Ecological Emergency. The LGA Corporate Peer Challenge noted that the Overview and Scrutiny function may benefit from review to ensure it continues to evolve and adapt to the council's decision-making environment. Peers recommend engaging the Centre for Governance and Scrutiny (CfGS) to undertake a review detailing strengths and areas for improvement and that the review should be conducted alongside review of the Chelmsford Policy Board and its relationship with Overview and Scrutiny.

✓ The council has a health and wellbeing plan and is focused on improving the health and wellbeing of communities living in the city and wider district. The LGA Corporate Peer Challenge noted that the plan is designed to understand the needs of residents and remove any barriers |

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	they experience in pursuing a healthy life, such as housing, aging well, loneliness and isolation and health inequalities. The plan has been informed by consultation and data collected in the joint strategic needs assessment and partners and the council play a critical collective role. ✓ Chelmsford Garden Community Delivery Board is in place to oversee specific elements of the development of proposals for Chelmsford Garden Community. ✓ A Community Liaison Group is in place for Chelmsford Garden Community which allows local community groups and residents to be updated on progress of the development and provide their feedback on new projects and proposals. ✓ In 2024, Chelmsford City Council implemented a Project Management Toolkit to support good project management practice across all areas of the council. The main purpose of the toolkit is to create consistency and ensure the successful delivery of Chelmsford City Council's projects through effective communication. The toolkit incorporates an easy-to-follow project management framework that's supported by a set of Project Management document templates.
Principle E **Developing the Council's capacity, including the capability of its leadership and the individuals within it**	✓ Succession planning has been identified as a significant organisational risk further impacted by Local Government Reorganisation. The LGA Corporate Peer Challenge recommended that the Council should develop, formalise, and implement a workforce plan that ensures structure, skills and capacity are fit for the future to meet challenges and priorities. ✓ The LGA Corporate Peer Challenge in December 2024 noted that staff have a comprehensive understanding of the council's priorities and can see how their work is relating to the achievement of the council's priorities. The Council does not undertake formal annual appraisals, instead utilise a framework coproduced between staff and senior managers referred to as 'Our Conversation' which focuses on performance, personal development, and wellbeing. ✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events, Mental Health First Aiders, the Employee Assistance Programme, Wellness action plans and weekly Our News articles. The LGA Corporate Peer Challenge noted that wellbeing is supported by the Council achieving the highest level of award offered by the 'Essex Working Well Accreditation Scheme', as well as being a 'Mindful Employer'. ✓ The Council participates in a number of partnerships, including Safer Chelmsford, South Essex Parking, and works closely with Essex County Council on a number of initiatives: Mid Essex

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	Children's Partnership Board, Essex Safeguarding Adults Board, Mid Essex Alliance and Chelmsford Youth Strategy Group.

✓ Both the Governance Committee and Audit and Risk Committee have at least two appointed independent persons each in line with best practice.

✓ All serving city councillors attended code of conduct training. Two vacancies arose in March 2025 and after the by elections have filled those vacancies the new city councillors will be provided with training as part of their induction. Senior officers also meet with Group Leaders as recommended by the Committee on Standards in Public Life Best Practice.

✓ All staff with PC Access received Inclusion, Equality & Diversity training via TED e-learning which provided an understanding of the Equality Act, how it affects them as an employee and the business as an employer. Two half day classroom-based sessions were also delivered in March 2024. New starters with PC access are invited to complete the e-learning module within 2 months of joining. In addition to this staff can access further training on Equality at Work via the intranet and e-learning modules offered via Peninsula our H&S consultants.

✓ During 2024/25, a training and awareness programme via TED e-learning covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. Going forward, the programme will be used for all new starters and Members as part of their mandatory induction training. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff.

✓ Carbon Literacy Training has been rolled out across the organisation during 2024/25 to make staff aware of the carbon dioxide costs and impacts of everyday activities, and the ability and motivation to reduce emissions, on an individual, community and organisational basis by explaining the science around climate change and how its affect globally and locally and developing the tools and knowledge to reduce the carbon impact on the Council. |

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ Cyber Security and Information Governance eLearning training is delivered to all computer-based staff on annual basis. The Information Governance Annual Report 2024 noted that Council achieved a completion rate of 92% (up 9% from the training released the year before).
	✓ The Council's Health and Safety Annual Report 2024 noted that the core training courses of Managing Safely, Working Safely and Peninsulas Health & Safety Awareness continue to underpin the health and safety training provided by the Council, with additional specific training provided depending on the job role. The majority of roles within the Council are required to carry out one of these three training courses: Managing Safety for managers and supervisors, Working Safely for frontline operatives and Health & Safety Awareness for low-risk operatives. The Managing and Working Safely courses are accredited by the Institute of Occupational Health & Safety (IOSH).
Principle F **Managing risks and performance through robust internal control and strong financial management**	✓ The Council's Risk Management Strategy recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council's Principal Risks, aligned to Our Chelmsford, Our Plan objectives, each assigned to a Directorate lead. These are regularly reported to Management Team and Audit & Risk Committee. The LGA Corporate Peer Challenge recommended a review and update of the risk management framework alongside the implementation of a risk management tool and further potential integration with Power BI.
	✓ The Internal Audit Annual Report to Audit & Risk Committee confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy Council's governance, risk management and internal control arrangements.
	✓ The risk-based Internal Audit Plan is aligned to Our Council, Our Plan objectives, the Council's Principal Risks and Fraud Risk Register.
	✓ Public Sector Internal Audit Standards requires an external quality assessment (EQA) to be undertaken to provide the Council with an independent opinion about internal audit's conformance with the Standards and Code of Ethics. The review took place in December 2024 and the assessor concluded that Internal Audit generally conforms with the Public Sector Internal Audit Standards i.e. the relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	section in all material respects. Three areas for minor improvement were identified, with four recommendations made to address these.
	✓ From 1st April 2025, the current framework for Public Sector Internal Audit Standards will be superseded by new Global Internal Audit Standards (GIAS). In January 2025, Internal Audit completed a GIAS readiness assessment and identified that the service is 78% compliant with the full new suite of requirements, with the remaining 22% being covered by some updates to Internal Audit practices and documenting these in an updated Audit Methodology, as well as the introduction of the annual Internal Quality Assessment report which will be appended to the Annual Report in June 2025. This will also formally set out any improvement actions identified.
	✓ Updates from the Council's vCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2024/25, including progress against suggested areas for developing organisational awareness, policy and process, preventative measures and staff development. A workshop based on the NCSC board toolkit, involving key stakeholders such as the Chief Executive, Management Team and Heads of Service was held in February 2024 which led to recommended actions. Other actions have included rolling out a pilot of a cyber security questionnaire and introduction of a cyber resilience dashboard. The combination of these quantitative and qualitative measures to assess the organisation's cyber resilience is now under management review for introduction organisation-wide in 2025.
	✓ Interim guidelines for the appropriate use of AI were disseminated to staff in March 2025 while a formal AI Usage Policy is in development.
	✓ The Council's S151 Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances.
	✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023. The actions are being monitored by the Council's S151 Officer. The s151 is considering whether an update to Audit and Risk committee is needed in 2025.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ The [Council's Counter Fraud Strategy](#) ensures the Council approach to the prevention and detection of fraud is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. It encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy were set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register and development of a new Fraud Response Plan. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises. ✓ During 2024/25, a training and awareness programme via TED e-learning covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. Going forward, the programme will be used for all new starters and Members as part of their mandatory induction training. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff. ✓ Other processes which assist Internal Audit in detecting potential fraudulent activity include: • One of the criteria assessed when producing the risk-based annual audit plan is the risk of fraud as per the Council's Fraud Risk Register. In addition, all individual reviews are aligned to the Council's Fraud Risk Register to independently assess anti-fraud controls in place. • Data Analytics have been used since 2024 to detect any anomalies with Accounts Payable and Payroll with a specific focus on anti-fraud tests. • Reviews of Council processes/walk throughs etc should highlight any gaps in control and areas that are vulnerable to fraudulent activity.

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	• Additionally, where concerns of fraud have been highlighted, investigations are carried out and review of the control framework is undertaken to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls. ✓ The Counter Fraud Annual Report was presented to Audit and Risk Committee in September 2024. ✓ Chelmsford City Council is committed to high standards of health and safety management within a risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services. The Council uses external health and safety advisors to assist in managing the Council's high-risk services. The Council has a Health, Safety & Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and carrying out measures to ensure and improve the health, safety and welfare at work of all employees. Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required, and an Annual Health and Safety Report was provided to Audit & Risk Committee in September 2024. ✓ The LGA's Introduction to Audit Committees E-Learning Module was rolled out to all Audit and Risk Committee Members in 2024/25 and a full self-assessment was undertaken in March/April 2025 to identify any further areas of improvement. ✓ The annual update to Members on RIPA arrangements was presented to Governance Committee October 2024. This is kept under review and reported to Governance Committee annually each autumn. ✓ An Information Governance Update was presented to Governance Committee in October 2024 to provide an annual update on the Council's approach to the assurance and management of information. The update covered the following areas: Statutory Requests, Data Breaches, Phishing Exercises, Training and Awareness, Cyber Security Review, Policies, Consents, Privacy Notices, Risk Management and Contracts. ✓ Records Management is acknowledged as a key cyber and information governance risk which led to the introduction of an email retention period of seven years in Microsoft Outlook in February

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	2025. Each summer, Management Team receives an annual Senior Information Risk Owner report. The focus for the next report will be the service review of data retention and information assets. The Information Governance team is working with services going through key components of their information assets. Retention periods are also being reviewed. Services will be required to highlight those datasets which are not deleted in line with retention periods and provide reasons why they are unable to do so. Records Management needs to be considered in line with LGR, as improved record keeping will assist with any future transition.
Principle G **Implementing good practices in transparency, reporting, and audit, to deliver effective accountability**	✓ The LGA Corporate Peer Challenge final report is published on the Council's website ✓ As detailed above, a vast array of information is accessible to the general public via the Council's website in an understandable style appropriate to the intended audience. ✓ To comply with its duty set out in the code of practice for local authority publicity to tell taxpayers about what the Council does on their behalf, the services the council provides, important announcements, like public health information, decisions that affect the area and how residents can get involved in those decisions, the Council maintains the Chelmsford City Life website. ✓ The Council also have official social media profiles and accounts on Facebook, Instagram, Twitter, Nextdoor, LinkedIn and YouTube governed by the Council's social media house rules. ✓ The Council has an FOI publication scheme on its website and also publishes certain information in line with the Local Government Transparency Code 2015. A review of the Council's compliance with the Transparency Code was undertaken during 2024 by the Corporate Governance Group. The Council also updates its FOI requests relating to Business Rates quarterly. ✓ The Council's Corporate Governance Group continued to meet regularly during 2024/25 and included reviewing and updating the Annual Governance Statement, reviewing progress against the AGS action plan, collaborating and sharing governance updates and best governance practice from across the Council. ✓ The Annual Governance Statement is presented to the Leader and Chief Executive, approved by Joint Audit & Risk and Governance Committee and published alongside the Statement of Accounts.

Good Governance Principle	Chelmsford Council Key Elements 2024/25
	✓ Governance Committee, Audit & Risk Committee, and Overview & Scrutiny Committee report annually on their work to full Council.
	✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council.

Review of effectiveness

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

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

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

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

3.5. The outcome of the review is presented in 3.10 below, which detail areas for improvement during 2025/26.

3.6. Effectiveness of Other Organisations

- The Council acts as lead partner in the South Essex Parking Partnership (SEPP) which carries out the on-street parking enforcement in Chelmsford, Basildon, Brentwood, Castle Point, Maldon and Rochford, on behalf of Essex County Council (ECC), the highways authority, through delegated responsibilities under a Joint Agreement first introduced in 2011 with a new agreement for a further term signed by all partner authorities in 2022. Signs and lines maintenance and new TRO's (Traffic Regulation Orders) are also provided by the Partnership. The Partnership has operated successfully, in accordance with the Traffic Management Act 2004 (TMA 2004), including timely production of an Annual Report and agreed Business Plan, and generation of a surplus during each year of operation.

- The One Chelmsford Board acts as Chelmsford's Responsible Authorities Group under the Crime and Disorder Act 1998, which is a statutory function. There are a number of other statutory partners: Chelmsford City Council, Essex Police, ECC, Essex County Fire and Rescue Services, Probation Services and Health (ICB – Integrated Care Board). The current chair is Chelmsford Council's Chief Executive and our member representative is the Leader of Chelmsford Council, plus relevant cabinet members are invited to attend. The group has a terms of reference and presents a finance report annually.

- The Council does not currently engage in commercial activities through trading subsidiaries or investment vehicles.

3.7. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The work undertaken during 2024/25 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 31st March 2025, the opinion is that the adequacy and effectiveness of the Council's arrangements is *Moderate Assurance* – overall the Council's systems for control, risk and governance are generally adequate with some improvement required. Internal Audit reached this conclusion because medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or processes, and none of the individual assignment reports have an overall classification of critical risk and/or no assurance. The annual opinion given for 2023/24 was Moderate Assurance.

Any residual risks arising from all 2024/25 audit reviews will be closely monitored through the Internal Audit follow-up process in 2025/26. Further detail on audit outputs is provided in the Internal Audit Annual Report.

3.8. External Audit and Inspectorates

In the last 20 years the Council has published its accounts in-line with statutory deadlines with one exception in 2022/23 where the accounts were two weeks late. The delay being a result of having to restate pension accounts due to the failure of the external auditor to complete the previous year's external audit in a timely manner. There have been no qualifications made by its external auditor in over 20 years. The effectiveness of the external audit process has been weakened by a nationwide crisis in external audit provision. The issues are being addressed nationally, and the intention is to clear the backlog by 2028. The 2021/22 and 2022/23 audits were not completed by BDO and the accounts signed off with a disclaimer, a situation repeated in most authorities across the Country. The 2023/24 audit was undertaken by an auditor new to the Council, Ernst and Young (EY). A significant amount of audit work was undertaken but insufficient to complete the full audit. EY have provided a disclaimed audit opinion for 2023/24 and do not expect to return to full audit in 2024/25. Officers do not believe that a full audit will occur until accounting and audit regulations have been amended, which is part of nationwide action plan to fix the broken local audit process. A lack of timely and complete external audit is recognised as significant financial weakness but is beyond the control of the Council.

3.9. Review of Actions from 2023/24 Annual Governance Statement

Ref	2023/24 AGS	Action taken in 2024/25 to address the issue
GOV24_1	**Counter Fraud.** Continue to monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered.	**Complete (but will continue to be monitored).** Rollout of training and awareness activities to staff and Members complete. 2024 NFI exercise underway with services working through matches. New Counter Fraud Strategy required from December 2025. See above for more detail.
GOV24_2	**Cyber Security.** Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated Cyber Security strategy and review all policies.	**Complete (but will continue to be monitored).** Updates from the Council's vCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2024/25. Cyber resilience monitoring and activities will continue to be assessed and implemented. See above for more detail.
GOV24_3	**Records Management.** Scoping of next steps in relation to records management processes to develop action plans for the implementation of any changes that need to be made, including consideration of prioritisation, resources and timescales for implementation within services and any corporate wide actions that may be taken.	**Ongoing.** Records Management is acknowledged as a key cyber and information governance risk which led to the introduction of an email retention period of seven years in Microsoft Outlook in February 2025. In Summer 2025, Management Team will receive an annual update on corporate retention timescales in the annual Senior Information Risk

Ref	2023/24 AGS	Action taken in 2024/25 to address the issue
		Owner report, and further corporate retention periods will be highlighted with the potential for reducing the amount of data held. Service review of data retention is now in progress, with the Information Governance team working with services going through key components of their information assets. Services will be required to highlight those datasets which are not deleted in line with retention periods and provide reasons why they are unable to do so. Records Management needs to be considered in line with LGR, as improved record keeping will assist with any future transition. Service review of data retention will now need to be considered in line with LGR, with each area assessing their record keeping ahead of any transition.
GOV24_4	**Strategic Decision Making.** To undertake an audit with a view to identifying and making recommendations as to any improvement in internal controls. Any recommendations to be actioned by the relevant person identified in the audit.	Superseded in 2024/25 by other activity surrounding decision making. No issues identified by External Audit. Internal Audit to consider a review in 2025/26 following roll out of decision-making training. Training arrangements being put in place for autumn 2025.
GOV24_5	**New Complaint Handling Code issued by Local Government Ombudsman.** To consider the timing and arrangements for the adoption of the new Code issued by the LGSCO in February 2024	Arrangements being put in place for the Council to adopt the complaint handling code, including performance monitoring, scrutiny and self-assessment. An update will be provided to Governance Committee in June 2025 as to progress and the future arrangements.

3.10. Areas for improvement or monitoring during 2025/26:

Ref	Area	Action to be taken in 2025/26	Responsible Officer
GOV25_1	**Follow up actions from 2024/25**	- Completion of decision-making training - Adoption of complaint handling code	Lorraine Browne
GOV25_2	**Local Government Reorganisation**	To continuously assess the emerging risks to the Council as a result of LGR, and ensure the Council is ready for the implementation of Devolution and LGR.	Nick Eveleigh
GOV25_3	**Governance-related Peer Review Actions** e.g. - **Scrutiny Effectiveness** (commission the Centre for Governance and Scrutiny to review and strengthen overview and scrutiny and wider governance) - **Strengthening Governance** (strengthen the approach to governance relating to the provision of information, member involvement and decision-making and reporting) - **Member Training** (deliver a programme of external member training and development to support continuous improvement in decision-making, governance, and accountability) - **Performance Management and Assurance** (adopt organisation wide approach)	To undertake a full review of scrutiny arrangements to equip scrutiny/ opposition members to fully engage in scrutiny activities. To continue to enhance early engagement of members and develop a new member intranet site. To complete decision-making training (programme being finalised for Autumn 2025). Quarterly performance reports to be provided to Management Team.	Louise Goodwin, Nick Eveleigh, Lorraine Browne
GOV25_4	**Actions arising from new Committee on Standards in Public Life report (published 25 March 2025)**	CSPL report will be considered and appropriate actions taken in response. Report to MT and appropriate committees as necessary.	Lorraine Browne, Phil Reeves, Elizabeth Brooks
GOV25_5	**Actions arising from Navigating risk in local government report (LGIU Jan 2025)**	LGIU report will be considered and appropriate actions taken in response. Report to MT and appropriate committees as necessary.	Elizabeth Brooks

Consideration will also be given in year to the Delivering Good Governance in Local Government: Framework Addendum, covering the annual review of governance and the annual governance statement for application to annual governance statements for 2025/26 onwards.

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: Signed:

Leader of the Council   **Chief Executive: Nick Eveleigh**

Date: Date: