

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

**15 June 2022 at 7pm**

**Marconi Room, Civic Centre, Chelmsford**

## **Membership**

### **Councillors**

H. Ayres, K. Bentley, D.J.R. Clark, W.A. Daden, N.A. Dudley, D.G. Jones, G.B.R. Knight, J.M.C. Raven, E.J. Sampson, M. Sismey, A.B. Sosin, M.S. Steel, A.G. Thorpe-Apps, N.M. Walsh,

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. These have to be submitted in advance and details are on the agenda page. To 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

15 June 2022

## AGENDA

### 1. Election of Chair

### 2. Apologies for Absence and Substitutions

### 3. Minutes

To consider the minutes of the joint meeting held on 16 June 2021

### 4. Declaration of Interests

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

### 5. Public Question Time

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

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

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

### 6. Announcements

7. Review of the Local Code of Corporate Governance and Annual Governance Statement 2021/22

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 16 June 2021 at 7pm

Present:

Councillors H. Ayres, K. Bentley, N.A. Dudley, D.G. Jones, J.M.C. Raven, E.J. Sampson,  
M. Sismey, A.B. Sosin, N.M. Walsh and I. Wright

Also in attendance - Parish Councillors, Chiswell and Jackson

### 1. Election of Chair

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

### 2. Apologies for Absence and Substitutions

Apologies for Absence were received from Councillors N. Chambers, D Clark, J Galley, B Knight and the Independent Persons, Mrs Gosling and Mrs Mills and Parish Councillor Saltmarsh.

### 3. Minutes

The minutes of the meeting held on 17 June 2020 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 2020/21

Members considered a report on the updated Local Code of Corporate Governance and the Annual Governance Statement 2020/21, 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 2020/21, how they were addressed and the progress made.

RESOLVED that

1. the updated Local Code of Corporate Governance 2020-21 and the Draft Annual Governance Statement 2020-21 be approved and;
2. The Draft Annual Governance Statement be published with the statement of accounts.

## 8. Urgent Business

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

The meeting closed at 7.05pm.

Chair



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

**15<sup>th</sup> June 2022**

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### **Local Code of Corporate Governance and Draft Annual Governance Statement 2021/22**

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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 2022 and Draft Annual Governance Statement 2021/22 for Committee's approval.

#### **Recommendations**

The Joint Committee is requested to approve the updated Local Code of Corporate Governance 2022 and the Draft Annual Governance Statement 2021/22 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 2021/22, 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 2021/22 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 2022 (Appendix A) and Draft Annual Governance Statement 2021/22 (Appendix B)

**Background papers:** None

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### Corporate Implications

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

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

**Financial:** 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 18<sup>th</sup> May 2022.

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**Relevant Policies and Strategies:** None

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## Appendix A

### Local Code of Corporate Governance 2021/22

#### 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> </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 (July) (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 and Social Value Strategy</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>OurConversations</b></li> </ul>

<ul style="list-style-type: none"> <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>	<b>- Job Description/Specifications</b>
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## 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: <ul style="list-style-type: none"> <li>-trust</li> <li>-a shared commitment to change</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Our Chelmsford, Our Plan</a></li> <li>- <a href="#">Overview &amp; Scrutiny Committee</a></li> <li>- <a href="#">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="#">Overview &amp; Scrutiny Annual Report to Full Council</a></li> <li>- <a href="#">Consultation &amp; Engagement Strategy</a></li> <li>- <a href="#">Neighbourhood Plans and Village Design Statements</a></li> </ul>

Supporting Principle	Evidence
<p>-a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p> <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="#">Consultations on Planning Policy</a></li> <li>- <b>Access to Information Publica Scheme</b></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> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Our Chelmsford Our Plan</a></li> <li>- <a href="#">Local Plan</a></li> <li>- <a href="#">Livewell Development Accreditation</a></li> <li>- <a href="#">Annual Statement of Accounts</a></li> <li>- <a href="#">Reports from Cabinet Member for Fairer Chelmsford to Full Council</a></li> <li>- <a href="#">Medium Term Financial Strategy</a></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <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="#">Procurement and Social Value Strategy</a></li> <li>- <a href="#">Financial Rules</a></li> <li>- <a href="#">Contract Rules</a></li> <li>- <a href="#">Internal Audit Plan</a></li> <li>- <a href="#">Capital, Investment Treasury Management Strategies</a></li> <li>- <a href="#">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 Committee reports to Full Council</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>- <a href="#">Constitution</a></li> <li>- <a href="#">Our Chelmsford Our Plan</a></li> <li>- <a href="#">Corporate Risk Management Strategy and Framework</a></li> <li>- <a href="#">Principal Risk Register</a></li> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Role of Statutory Officers</a></li> <li>- <a href="#">Governance Committee</a></li> </ul>

Supporting Principle	Evidence
<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="#">Member Code of Conduct</a></li> <li>- <a href="#">Officer Code of Conduct</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="#">Complaints Procedure</a></li> <li>- <a href="#">Regular Performance Reports to Overview &amp; Scrutiny Committee</a></li> <li>- <a href="#">Procurement and Social Value Strategy</a></li> <li>- <b>Chelmsford Values</b></li> <li>- <b>OurConversations</b></li> <li>- <b>Committee Reporting timetable</b></li> <li>- <a href="#">Capital, Investment Treasury Management Strategies</a></li> </ul>

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

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

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

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

## 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> </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 Minutes</a></li> </ul>



Supporting Principle	Evidence
<ul style="list-style-type: none"> <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</li> </ul> <p>(Or, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p> <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>- <a href="#"><u>Overview &amp; Scrutiny Committee Minutes</u></a></li> <li>- <a href="#"><u>Regular performance reports to Overview &amp; Scrutiny Committee</u></a></li> <li>- <a href="#"><u>Committee Agendas published before deadlines</u></a></li> <li>- <a href="#"><u>Internal Audit reports to Audit Committee</u></a></li> <li>- <a href="#"><u>Audit Plan</u></a></li> <li>- <a href="#"><u>Capital and Revenue Monitoring reports to Audit &amp; Risk Committee</u></a></li> <li>- <a href="#"><u>Treasury Management Committee and Strategy</u></a></li> <li>- <a href="#"><u>Reports from Cabinet Member for Fairer Chelmsford to Full Council</u></a></li> <li>- <a href="#"><u>Information Requests – Publication policy, scheme and web pages</u></a></li> <li>- <a href="#"><u>Data Protection – Privacy Policy and web pages</u></a></li> </ul>

Supporting Principle	Evidence
<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>	

## 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> </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>- <a href="#">Committee Meetings open to the Public</a></li> <li>- <a href="#">Committee Agenda/Minutes sent to Local Press</a></li> <li>- <a href="#">Statement of Accounts</a></li> <li>- <a href="#">Reports from Cabinet Member for Fairer Chelmsford to Full Council</a></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <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="#"><u>Comments, Compliments &amp; Complaints System</u></a></li> <li>- <a href="#"><u>Constitution</u></a></li> <li>- <a href="#"><u>Anti Fraud &amp; Corruption Strategy</u></a></li> <li>- <a href="#"><u>Equality Duty</u></a></li> <li>- <a href="#"><u>Equality &amp; Diversity Objectives</u></a></li> <li>- <a href="#"><u>Equality Impact Assessments</u></a></li> <li>- <a href="#"><u>Whistleblowing Policy &amp; Procedure</u></a></li> <li>- <a href="#"><u>Investors in People Gold Status</u></a></li> <li>- <a href="#"><u>Consultation &amp; Engagement Strategy</u></a></li> <li>- <a href="#"><u>Petition Scheme</u></a></li> <li>- <a href="#"><u>The Transparency Code</u></a></li> <li>- <a href="#"><u>Access to Information Public Scheme</u></a></li> </ul>

## **ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

### **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 2022.

### 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 2021/22
<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>	<ul style="list-style-type: none"> <li>✓ Member and Officer Code of Conduct form part of the Council's <a href="#">Constitution</a>. The Model Member Code of Conduct was published in December 2020 and the review of the Council's Member Code was undertaken during 2020/21. Some amendments were made to the Member Code of Conduct at Full Council in July 2021 to bring it in line with the recommendations made by the Committee on Standards in Public Life. The Council decided not to adopt the full LGA model code at that time. It was intended to review this further at a later stage particularly once the guidance to the model code had been considered further. (see further paragraph 3.9). A further review of the Officer Code of Conduct will follow the final decision as to the adoption of the LGA Model Code of Conduct during 2022/23.</li> <li>✓ The Council refreshed its officer performance appraisal process in line with its corporate values and behaviours and OurConversations was launched in April 2021 with its primary focus 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>✓ 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 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 brings together anti-bribery, anti-money laundering and the fraud response plan.</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<p>✓ 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.</p> <p>✓ The <a href="#">Council's Modern Slavery and Human Trafficking Statement</a> sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains.</p> <p>✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible. This is set out in the Council's <a href="#">Social Value Procurement Policy and Strategy 2020-25</a>.</p> <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 Governance and Decision-Making awareness for Councillors Training was delayed due to Covid-19 but was completed in November 2021.</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 in 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>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<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 Covid-19, local authorities were permitted to hold virtual meetings 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 generally worked well and secured good attendance levels to enable democratic decision making to continue and increased public engagement levels. Following the court ruling in 2021 that the legal power to hold remote meetings had lapsed, the Council made appropriate arrangements to resume in person committee meetings where formal decisions by a committee were necessary. Should Parliament re-enable remote meetings the Council will further review its position and consider returning to remote meetings. (see also paragraph 3.9)</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> <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></p> <p><b>Defining outcomes in terms of sustainable economic,</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. Further masterplans for <a href="#">strategic sites at East Chelmsford</a> have been prepared, consulted upon and approved in the</p>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
<b>social and environmental benefits</b>	<p>period up to 31 March 2022. Cabinet approved an update to the Council's Local Development Scheme on 16 November 2021. This sets out the timetable and process for the review of the adopted Local Plan.</p> <ul style="list-style-type: none"> <li>✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, a revised arrangement was adopted by Cabinet in June 2021. A further review will be carried out within the next 2 years, or earlier should Government legislation make that necessary.</li> <li>✓ Cabinet (June 2021) also approved a restructure of the community grants budget and a move to a commissioning model to provide an improved long term grants provision for a wide selection of groups within the community, which will also provide value for the Council in delivering Our Chelmsford Our Plan deliverables within the support of third sector stakeholders.</li> <li>✓ The Council commenced a broadly scoped city-wide Community Governance Review in December 2020. Following initial consultation, the Council devised draft recommendations which were then subject to further consultation before Final Recommendations were approved at Full Council in March 2022. The Council will be implementing the Final Recommendations during 2022/23.</li> <li>✓ <a href="#">Our Chelmsford, Our Plan</a> 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.</li> <li>✓ The Council's strategic planning framework ensures that operational activities link to Our Chelmsford, Our Plan priorities. The Our Plan Action Plan breaks down strategic actions to measurable economic, social and environmental outcomes for monitoring through TechnologyOne (OneCouncil). TechOne Action Plans are also in place for the Climate and Ecological Emergency and the Council's Health and Wellbeing Strategy.</li> </ul>



Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<p>✓ In June 2021, Cabinet approved the creation of the Greener Chelmsford Grant Scheme which would support “green” community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan.</p> <p>✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. In 2021, the Council also adopted the IHRA definition of antisemitism. The Council’s activities in this field are monitored by the Anti-Racism Working Group.</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 2021, 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 financial forecast was included in the annual budget setting in February 2022.</p>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<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 Cabinet and Overview and Scrutiny Committee and regular reporting to Cabinet members. During 2021/22, this has continued to be supplemented by external reporting of the financial impact of Covid-19 to MHCLG.</p> <p>✓ 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 Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. A review has been undertaken by officers and will be reported to Audit and Risk Committee in the summer of 2022.</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>• Overall progress in implementing Our Chelmsford, Our Plan Action Plan is reported in annually to Overview &amp; Scrutiny Committee in November. Key priorities from the Plan have also been identified by portfolio holders for quarterly reporting to the Policy Leadership Team (PLT).</li> <li>• The Climate and Ecological Emergency Action Plan progress is reported annually to Overview &amp; Scrutiny Committee.</li> <li>• Health and Wellbeing Action Plan progress is reported quarterly to Livewell Chelmsford.</li> <li>• Operational PIs continue to be monitored locally.</li> </ul> <p>✓ <a href="#">Chelmsford Policy Board</a> (joint Members and Officer) Working Groups oversee implementation of the dedicated strategies and actions plans, recommending interventions to Cabinet as necessary. The Board receives updates from the Working Groups when there is significant progress to report.</p>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<p>✓ The <a href="#">Chelmsford Policy Board</a> merged two former working groups to form the Housing Working Group, whose workstreams include developing the Council's Housing Strategy and overseeing the delivery of both the Homelessness and Rough Sleeper Strategy (HRSS) and the Housing Strategy. Following extensive consultation in the summer of 2021, the <a href="#">Housing Strategy 2022-27</a> was approved by Cabinet on 15 March 2022. <a href="#">Planning Advice Notes</a> on First Homes, Housing Additionality, Open Space, Self and Custom Build Homes, Specialist Residential Accommodation and Wheelchair Homes were also produced and approved in 2021/22. At operational level, HRSS 'Actions and Outcomes' continue to be tracked through departmental meetings.</p> <p>✓ <a href="#">Chelmsford Garden Village Delivery Board</a> is in place to oversee specific elements of the development of proposals for Chelmsford Garden Community.</p> <p>✓ The <a href="#">Chelmsford Community Response Hub</a>, was run in partnership by Chelmsford City Council and Chelmsford Voluntary Service (CVS), providing 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. The CVS continued running the Community Response Hub during 2021/22 due to ongoing demand.</p>
<p><b>Principle E</b></p> <p><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 Organisational Development Strategy 2020-2022 sets out how the Council will develop and utilise its workforce to meet Our Chelmsford, Our Plan objectives.</p> <p>✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events, Mental Health First Aiders, the Employee Assistance Programme, Wellness action plans and weekly Our News articles.</p> <p>✓ The Council participates in a number of partnerships, including <a href="#">Safer Chelmsford</a>, <a href="#">South Essex Parking</a>, <a href="#">Essex Online</a>, and works closely with Essex County Council on a number of initiatives:</p>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<p>Mid Essex Children's Partnership Board, Essex Safeguarding Adults Board, Mid Essex Alliance and Chelmsford Youth Strategy Group. The Health Protection Board and Strategic Coordinating Group were invoked in 2020 due to the Covid 19 pandemic and continued throughout 2020/21 but are now being wound down in line with the Government's strategy of Living with Covid.</p>
<p><b>Principle F</b></p> <p><b>Managing risks and performance through robust internal control and strong financial management</b></p>	<ul style="list-style-type: none"> <li>✓ The Council's main Finance System was replaced in November 2020 with TechOne 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. A development plan has been approved by Management Team. External audit reviewed the system as part of their year-end accounts work during 2021 and identified no issues.</li> <li>✓ The Council's Risk Management Strategy recognises that risk management is an integral part of Council activities.</li> <li>✓ 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 Management Team and six-monthly reporting to <a href="#">Audit &amp; Risk Committee</a> ensures arrangements are working effectively. This also reflected the impact of Covid-19 on the Principal Risks.</li> <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>✓ Following the independent Cyber Security "posture review" in 2020/21 which assessed the Council's maturity with regards to information and cybersecurity, a vCISO was appointed during 2021/22 to progress recommendations made (see Action Plan Ref. GOV22_2).</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</li> </ul>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	<p>financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances.</p> <p>✓ 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 (see Action Plan Ref. GOV22_3).</p> <p>✓ 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.</p> <p>✓ Business rates expanded reliefs and emergency grants were provided by the Government to support businesses and organisations during the pandemic. In March 2022, BEIS confirmed that the Council's activities in relation to the first tranche of grants between April 2020 and September 2020 had provided adequate assurance. Government post-payment assurance activities in relation to 8 further grants payable between November 2020 and March 2022 have not yet begun.</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). Following self-assessment of compliance and training needs analysis with Audit &amp; Risk Committee Members in 2021, training opportunities were provided to Members. A further survey will be issued in April 2022.</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</p>

Good Governance Principle	Chelmsford Council Key Elements 2021/22
	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.
<b>Principle G</b> <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b>	<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>✓ The Council's Corporate Governance Group continued to meet regularly during 2021/22 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.</p> <p>✓ The <a href="#">Annual Governance Statement</a> is presented to the Leader and Chief Executive, approved by Joint Audit &amp; Risk and Governance Committee and published alongside the <a href="#">Statement of Accounts</a>.</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** 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 2022/23.

### 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 2020/21 was Moderate Assurance.
- The work undertaken during 2021/22 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 2022, 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 2022/23. 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 and had no qualifications made by its external auditor. However, the effectiveness of the external audit process has been weakened by the late completion of audits. For the last two years the audit has taken over year from the balance sheet date to complete, compared to the government's target of 6 months from year end. This is a national problem and currently it is unclear when the situation will improve.

### 3.9. Review of Actions from 2020/21 Annual Governance Statement

Ref	2020/21 AGS	Action taken in 2021/22 to address the issue
GOV21_1	<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.	Assessments were completed. It is not known whether the Government will legislate to re enable remote committee meetings. In the meantime, the Council has decided that some meetings will generally be held in person and in any meetings where a committee needs to take a formal decision will be held in person. This is usually meetings of Full Council, Cabinet, Planning Committee, Chelmsford Policy Board, Licensing and Regulatory Committee. Other committees that are not taking formal decisions can meet remotely



Ref	2020/21 AGS	Action taken in 2021/22 to address the issue
		where this is appropriate. The main meetings which have most public interest are usually webcast where appropriate.
GOV21_2	<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.	Some changes were made at Full Council in July 2021. The adoption of the Full LGA Model was identified for further consideration following the publication of the LGA guidance. This is scheduled for review during 22/23 and will be considered by the Constitutional Working Group and Governance Committee although should adoption be recommended this would need to be considered by Full Council. It is hoped that this will happen in July 2022 (see 3.10)
GOV21_3	<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.	Savings for 2021/22 were monitored during the year and will be reported back to Management and Members. The July 2022 MTFS will be updated to reflect any lessons learned.
GOV21_4	<b>Procurement and Social Value</b> - To embed, train and develop the Procurement and Social Value Policy during 2021/22	Ongoing.

### 3.10. Areas for improvement or monitoring during 2022/23:

Ref	Area	Action to be taken in 2022/23	Responsible Officer
GOV22_1	Financial Rules	Updated financial rules will be reviewed and approved by Council and associated operational Practice Notes updated and implemented accordingly.	Section 151 Officer
GOV22_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. Procure a retainer for Cyber Security incident response team.	Digital Services Manager
GOV22_3	Financial Management Code Action Plan	A self-assessment against CIPFA's Financial Management Code will be completed and action plan produced to meet any shortfalls.	Section 151 Officer
GOV22_4	Member Code of Conduct	The Constitutional working group will be considering a report in relation to the potential adoption of the LGA model code in May 2022. This will be reported to the Governance Committee in June 2022. Should the committee wish to recommend the adoption of the model code the final decision will be made by Full Council in July 2022 which could mean the code being adopted shortly afterwards. Appropriate training will be provided and follow up actions considered in relation to parish tier authorities.	Monitoring Officer
GOV22_5	Community Governance Review	Following the Final Recommendations approved by members at Full Council in March 2022 arrangements are being made to make a reorganisation order, the creation of two new parish councils and various other actions to take effect by April 2023. Various administrative and other actions will arise because of the review and progress will be reported to the Connectivity and Local Democracy Working Group. The next update is due May 2022.	Monitoring 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: 2022