
DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2021/22

1 PURPOSE OF REPORT

- 1.1 In compliance with the Accounts and Audit (England) Regulations 2015, an Annual Governance Statement (AGS) must be prepared and presented to Members for their consideration.
- 1.2 Local authorities are required to prepare the AGS in line with the guidance “*Delivering Good Governance in Local Government: Framework (CIPFA/Solace 2016)*”. They are also required to report annually on the extent to which they comply with their own local code of governance, including how they have monitored the effectiveness of their governance arrangements during the year, and on any known future governance changes. The Framework details seven principles for good governance to assist authorities across their governance systems, structures, and partnerships in reviewing and testing their governance arrangements.
- 1.3 The AGS must be endorsed by the Audit Committee, prior to its certification by the Leader of the Council and Joint Chief Executive and published alongside the Council’s Statement of Accounts.

2 INTRODUCTION

- 2.1 All local authorities are required to maintain a Local Code of Corporate Governance (LCCG) and to produce, in line with proper practice and guidance, an Annual Governance Statement. The current version of the LCCG at Rochford was approved by the Audit Committee in November 2020.
- 2.2 The AGS identifies the key procedures within the Council that ensure there is an effective system of internal control and effective governance arrangements upon which assurance can be placed.

3 ASSURANCE FRAMEWORK

- 3.1 The proposed AGS for 2021/22 is appended to this report for Members’ consideration. The format of the AGS reflects that of the Local Code of Corporate Governance. The AGS includes an update on the progress made in addressing the actions and risks identified in the 2020/21 AGS.
- 3.2 The AGS states the broad management arrangements within the Council, where assurance has been obtained and, generally, the policies and strategies that are in place, as detailed in the LCCG.
- 3.3 By considering the key functions of the Council such as those defined in the AGS, Members can reach a conclusion on how they feel the Council is performing in relation to governance, internal control, and risk management.

- 3.4 The AGS covers 2021/22 but will also cover the period of 2022/23 to the date that the Statement of Accounts are formally signed.
- 3.5 Between the date of approval of the proposed AGS and the formal signing of the Accounts there may be changes that may be required in the AGS text to reflect current circumstances. If changes are required, this report requests delegation for the Chairman of the Audit Committee to authorise such changes of a non-significant nature.
- 3.6 Any required changes of a significant nature would be referred to this Committee for endorsement.

4 RISK IMPLICATIONS

- 4.1 Through the ongoing review of the Council's systems, policies, and procedures as part of AGS related work any significant weaknesses or risks would be drawn to Members' attention.
- 4.2 The system of internal control within the Council is designed to manage risk to an acceptable level. However, it cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide a reasonable and not an absolute assurance of effectiveness. The system of internal control is based on a continuing and embedded process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised, and to manage them efficiently, effectively and economically.

5 CRIME AND DISORDER IMPLICATIONS

- 5.1 None.

6 RESOURCE IMPLICATIONS

- 6.1 The preparation of the AGS has been carried out within existing resources. Good governance arrangements are implicit to the effective management of wider resources across the Council.

7 LEGAL IMPLICATIONS

- 7.1 The production of the Annual Governance Statement is a statutory requirement of The Accounts and Audit (England) Regulations 2015. It is published with the Council's financial statements and will be reviewed by the external auditors.

8 ENVIRONMENTAL IMPLICATIONS

- 8.1 None.

9 PARISH IMPLICATIONS

9.1 None.

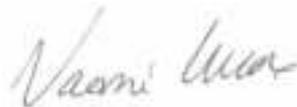
10 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None.

11 RECOMMENDATION

11.1 It is proposed that the Committee **RESOLVES**

- (1) That the draft Annual Governance Statement for 2021/22 be noted
- (2) That it be noted that the Annual Governance Statement for 2021/22 will be reviewed and updated at the time the draft accounts are audited
- (3) That authority is delegated to the Chair of the Audit Committee to endorse non-significant changes to the AGS following review by the Council's external auditors, and then referred to the Joint Chief Executive and Leader of the Council for signature.
- (4) That any significant changes to the AGS be brought back to Audit Committee for review, prior to sign-off by the Joint Chief Executive and Leader.



Naomi Lucas

Assistant Director, Resources

Background Papers:-

None.

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ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

2021/22

Executive Summary

Rochford Council has a responsibility for conducting an annual review of the effectiveness of its governance framework including the system of internal control. The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

In the [Business Plan 2020-2023](#) Rochford District Council has committed to priorities and expected outcomes in terms of financial stability, early intervention, maximising use of assets and enabling communities. For such a commitment to be achieved the Council must have a solid foundation of good governance, supported by sound financial management. The Council operates under the principles identified in The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework 2016 'Delivering Good Governance in Local Government'.

In November 2020 a [Local Code of Corporate Governance](#) (The Code) was adopted, which details these principles and links to the Business Plan. The Code is supported by a significant range of policies and procedures that form [The Governance Framework](#) which sets out how the Council should do what it does.

This AGS provides assurances on the level of compliance with The Code for the year ending 31st of March 2022 but includes the position up to the actual date of sign-off of the Annual Accounts for that year.

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management.

They have been advised on the outcome of the result of the review of the effectiveness of the Governance Framework and consider that the arrangements provide adequate assurance and continue to be regarded as fit for purpose. They pledge their commitment to address the matters highlighted in this Statement, and to further enhance governance arrangements to enable delivery of the Business Plan.

Signed:

Cllr S Wootton

Leader of the Council

Date...

Signed

J Stephenson

Joint Chief Executive

Date....

Review of the Effectiveness of the Council's Governance Framework

Although the AGS is a formal annual review of governance arrangements the review process itself is a continuous function throughout the year. These include day to day management controls, corporate oversight functions, including role of statutory officers, reports to Members, ongoing work of the Review and Audit Committees, Internal Audit's work plan, external audit of financial arrangements and value for money, and occasionally assurance from third-party organisations. In addition, services across the Council have completed a self-assessment of their own compliance with The Code.

The AGS incorporates the continuous review of the effectiveness of our governance arrangements throughout 2021/22. It identifies those areas where we have and do not have full compliance with The Code and where attention is required to ensure that we have effective governance arrangements that will enable the Council to deliver on its commitments in the Business Plan 2020-2023. The AGS is not a report on what has been achieved or delivered.

This Statement is an objective appraisal of our governance framework and shows that, we have **adequate arrangements, which continue to be regarded as fit for purpose and generally comply with the council's Local Code of Corporate Governance** and shows that we have met our legal and statutory obligations to our residents. It is acknowledged that there are areas for improvement, but most key controls are in place and are operating effectively.

Key projects such as the Asset Development Programme and elements of The Connect cultural and transformation programme are works in progress. These have been assessed and designed to ensure linkage to the Business Plan as they progress. These projects are regularly reviewed and reported to the Executive.

The External Auditor has continued to be positive about our arrangements to secure value for money and has provided an unqualified opinion on the council's Statement of Accounts for 2020/21 in the [Auditor's Annual Report, Year ended 31st March 2021](#). These accounts were signed off in February 2022. The AGS for 2020/21 was also signed off at that time, reflecting the governance arrangements in place at that time, late into 2021/22.

The system of internal control is a significant part of the governance 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.

Other Factors to Consider as Part of Annual Review

Governance of Subsidiary Companies

The Council has three wholly owned companies under the Green Gateway umbrella. High-level assurances were sought on the appropriateness of the arrangements for establishing these companies given their close relationship to the Council. There is a parent company, Green Gateway Trading Ltd. Green Gateway Trading

(Development) Ltd, was set up as part of initial proposals to develop the Council's assets. These companies are currently recorded as "Dormant" at Companies' House.

Green Gateway Trading (GM) Ltd was a fully functioning company carrying out ground maintenance work for the Council and other organisations until the contract with the Council ended in November 2021 when the Council decided to bring its grounds maintenance services back in-house. The company is therefore no longer trading. A formal decision on the future of GGT (GM) Ltd. will be brought to Full Council, as shareholders of the company, during 2022/23. The Council's finance team was contracted to provide day to day financial services to the Company while it was trading.

All three of these companies were properly constituted, have a financial auditor appointed and all relevant documentation has been submitted as required at Companies' House, within required deadlines

Rochford Norse Ltd

Rochford District Council (RDC) has signed an agreement for a joint venture partnership with Norse Group for the collection of waste and recycling and carrying out street cleansing operations from 1st July 2022.

This will be delivered through a LATCo which will be a separate legal entity from the Council and from Norse Commercial Services Ltd and the whole of the Norse Group. The newly created private limited company is registered as 'Rochford Norse Ltd.' and is limited by shares.

Governance of Rochford Norse Ltd will be provided by its Board of Directors, made up of senior representatives from Norse and the Council, and shares in the company would be split between the two parties. Regular Board meetings will be held, at which statutory duties are carried out and decisions made about the partnership's activities. Annual audited accounts would be produced. Directors are appointed by, and answerable to, the shareholders. They are required to act in a way which they consider most likely to promote the success of the company with regard to long-term factors, the interests of other stakeholders and the community, and to the company's reputation. The company board will comprise five Directors: two appointed by RDC, two by Norse, and the partnership's Operations Director. No resolutions will be passed if not agreed by at least one Council-appointed Director. This ensures that the Council retains a very high level of control over the services. The partnership arrangement includes an agreement that the company would not act in a way which compromises, or runs counter to, any RDC policies.

Impact of COVID-19

The COVID-19 pandemic and its effects continued into 2021/22. The Council adhered to Government guidelines and followed the lead of the Essex Resilience Forum and associated partner organisations, supported by the Essex County Council and Council's Local Outbreak Plans, which were developed after the first lockdown in 2020.

The Council continued to engage with residents and business by providing regular updates throughout the different phases of the pandemic, utilising its website and a range of other communications and social media streams. The telephone system was updated to make it more resilient for contact with residents, and compatible with the agile working arrangements that the Council has successfully adopted in response to the pandemic, enabling business as usual to carry on across the majority of the Council's services. The local community response hub that was set up in partnership with voluntary organisations and the church network, has continued to provide valuable assistance to those most at risk in the community.

The Council's operations were made COVID safe in line with changing guidelines and enabled safe working practices, and a managed return to the offices by staff. Effective measures were put in place to undertake COVID-safe elections in May 2021, and there was a return to in-person Council and committee meetings, when temporary legislation permitting virtual meetings expired.

The Council continued to assist residents with council tax support and other COVID-19 support related payments as mandated by central government. In addition, a wide range of business-related grants continued to be paid in line with government guidelines, this was achieved via a robust process that involved the creation of online application forms and fraud prevention measures.

There may be some ongoing financial implications of COVID-19 into the future but measures are in place to monitor the position and inform financial management.

Strategic Partnership with Brentwood Borough Council

In January 2022, a formal strategic partnership with Brentwood Borough Council was agreed at an Extraordinary Council meeting, together with confirmation of the appointment of a joint Chief Executive across both authorities.

This followed completion of feasibility studies, and assurance that the similarity of culture, size and demographics of the two authorities would lead to an efficient working arrangement, both internally and by use of external consultants. The report relating to the proposed arrangements was subject to scrutiny by the Review Committee prior to the [Report to Extraordinary Council on 25 January 2022](#), and the draft S113 agreement was scrutinised by the Committee on 6 July 2022 prior to being reported to Council on 26th July.

The intention of the Strategic Partnership is that it will deliver shared working arrangements across both councils, resulting in financial and operational efficiencies, whilst retaining the sovereignty of each authority's decision making processes.

The determination of the future management structure and service delivery arrangements commenced in 2021/22 and will be ongoing for some time as part of the #One Team Partnership Programme. This will impact on future formal governance arrangements which will evolve in line with operational developments across all of the Council's operations.

Compliance with CIPFA Financial Management Code

CIPFA published the first edition of their 'Financial Management Code' for local authorities in October 2019. CIPFA considers that compliance with this code is mandatory for all local authorities, but it is important to note that such compliance is not specifically prescribed in statute. CIPFA state that the first year in which it expects authorities to be fully compliant with the code is 2021/22.

The code is essentially a best practice guide to financial management in the local authority sector. It covers the following areas:

- The responsibilities of the chief financial officer and the leadership team (including members)
- Governance and financial management style
- Medium to long term financial management
- The annual budget
- Stakeholder engagement and business plans
- Monitoring financial performance
- External financial reporting

Officers have undertaken an assessment of the extent of compliance with the requirements of the code. In general terms the council's arrangements follow the recommended best practice set out in the code. Seven areas for review and possible improvement have been identified. These relate to:

- 1) Increased use of sensitivity analysis in the budget setting process
- 2) Increased robustness of MTFS savings plans, including more explicit linkages to the Council's Business Plan priorities 2020-23
- 3) Implementing an appropriate documented option appraisal methodology to demonstrate the value for money of all Council decisions, including Connect programme related business cases
- 4) Ensuring the Leadership Team have the appropriate skills to enable it to identify and correct emerging risks to its budget strategy and financial sustainability and are committed to developing those skills to enable their roles to be carried out effectively.
- 5) Assessing the financial skills required by managers and ensuring they are committed to developing those skills to enable their roles to be carried out effectively.
- 6) Undertaking a review of the Financial Regulations to ensure these remain fit for purpose (planned as part of wider review of the Constitution in 2022/23)
- 7) Ensuring the Debtors process is robust and effective following a change of responsibilities within the Resources team

These will be further reviewed during 2022/23.

Statutory Assurances

Whilst various sources of assurance have been obtained to support the overall conclusion that the council's governance arrangements remain adequate, it is important that the following specific assurances are also considered to support the Annual Governance Statement.

Chief Executive / Head of Paid Service

The Head of Paid Service is responsible for the overall corporate and operational management of the council. Having considered the overall arrangements in place during 2021/22, as set out in the rest of this report, the Head of Paid Service considers that the work undertaken provides adequate assurance on the effectiveness of these arrangements and that they therefore continue to be fit for purpose. There are two specific issues of strategic importance which have impacted on governance arrangements during 2021/22 and beyond, which are noted in further detail below.

COVID-19 Impact during 2021/22

The Council maintained a high level of service during 2021/22 throughout periods of continued COVID-19 restrictions, and as those restrictions were lifted and in-person contact with residents and business resumed. At all times measures were taken to ensure COVID safety compliance, including during the successful District-wide election day in May 2021.

The Council continued to provide COVID-19 related payments to residents and businesses, in line with Government requirements, in an efficient manner including development of application procedures and measures to minimise the risk of fraud. More recently procedures were developed to support residents with cost-of-living pressures under another Government scheme.

OneTeam Partnership with Brentwood Borough Council

The main issue that may impact on the Council's governance going forward will be the development of shared working arrangements with Brentwood Borough Council under the #OneTeam Strategic Partnership, which was agreed at an Extraordinary Council meeting held on 25 January 2022 when a Joint Chief Executive/Head of Paid Service was appointed for both Councils with effect from 1 February 2022.

At that meeting Council delegated authority to the Joint Chief Executive to undertake a restructure of Tiers 2 and 3 of the Councils, in consultation with the Leader of each Council, and delegated authority to the Joint Chief Executive and the Monitoring Officer, in consultation with the Leader, to enter into a Memorandum of Understanding ("MOU") and s113 Agreement to give effect to the Strategic Partnership.

The first activity for the #OneTeam Transformation Programme has been the review of the senior leadership structure at Tier 2 (Strategic Director) and Tier 3 (Assistant Director/Corporate Director) levels. The new Tier 2 structure has been in place since 28 March 2022, via a secondment arrangement in the short term, with formal

approval for the 3 new posts at Council on 26 July. Appointments for new Tier 3 Director roles were made by the Chief Officer Appointments Committee on 16 June, with vacancies arising for five of the nine new roles which are due to come into effect from 1 August 2022. The vacant roles will be recruited to in the autumn of 2022 and interim arrangements will be put in place to ensure that internal control is maintained and effective governance of the Council continues to be delivered during this transition period.

Head of Finance – Section 151 Officer

The Chief Finance Officer (Section 151 Officer) is responsible for the development and maintenance of the Councils governance, risk, and control framework, ensuring lawfulness and financial prudence of decision making and the administration of financial affairs, in accordance with Section 151 of the Local Government Act 1972.

These responsibilities have been considered within the context of this Statement and the Chief Finance Officer can confirm that the Council's arrangements conform to Section 151 of the Local Government Act 1972 and that the Council complies with the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

While the Council has robust financial management arrangements in place it is important to note that the Council's Medium Term Financial Strategy (MTFS) for 2022/23 identified resource shortfalls of at least £0.5 million by 2026/27 and there have been further significant pressures arising since the latest MTFS was agreed, most notably inflationary increases which will add to the gap in 2023/24 and beyond. There remains significant uncertainty around the future funding position and work to address the longer term MTFS gap continues, including opportunities to reduce costs through the #OneTeam partnership working arrangements with Brentwood Borough Council, driving out best value from the new waste delivery model with Norse and the delivery of efficiency savings via the Council's Asset Development and Connect Programmes. In addition, the impact of the Covid-19 pandemic on the Council's financial position continues to evolve as we move into the recovery phase. Both these risks mean the MTFS will continue to be reviewed and updated as more information becomes available.

Monitoring Officer

The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989.

These responsibilities have been considered within the context of this statement and the Monitoring Officer has no significant concerns to report and has had no reason to submit a report in accordance with the above. The Monitoring Officer is satisfied that the Council has robust processes for decision making, however there remains a need to ensure that a broad range of considerations as highlighted in the Council's Local

Code of Corporate Governance are considered in the development of policies, projects and when making decisions.

In June 2021 the Council published a Statement of Intent in relation to a joint strategic partnership with Brentwood Borough Council (BBC). This was formalised at an Extraordinary Council meeting held on 25th January 2022 with approval of the creation of a formal strategic partnership between the Council and BBC under a Section 113 agreement. This includes the permanent appointment of a joint Chief Executive / Head of Paid Service for both councils and a restructure of Tiers 2 and 3 of the Leadership Team with the intention of creating one unified leadership team across both councils.

The Centre of Governance and Scrutiny (CfGS) was commissioned by the Council to carry out an improvement review of its scrutiny function. This review follows from the recommendation of the Peer Review in November 2019 and had been delayed due to the pandemic. The CfGS has worked with the Council to support Members and in reviewing the effectiveness of the Council's overview & scrutiny function and in developing actions aimed at improving the function. The Review Committee has set up a working group to consider how to implement the recommendations that were made.

Chief Audit Executive

The Chief Audit Executive (CAE) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The CAE, through the internal audit service, delivers an annual programme of risk-based audit activity and makes recommendations for the improvement of the management of risk and control. The impact of COVID-19 did not significantly affect the work of Internal Audit during 2021/22, although the Annual Audit Plan was adjusted to meet emerging priorities, within available resources. A change in operations from 2022/23 is that Basildon Borough Council has assumed responsibility for delivery of the whole internal audit function following staff resource changes at Rochford. It is not anticipated that this will impact on the governance arrangements.

The CAE is satisfied that sufficient work was undertaken during 2021/22 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. Based on the work performed during 2021/22 and other sources of assurance he is of the opinion that **adequate assurance** can be taken that the Council's risk management, internal control, and governance processes, in operation during the year to 31 March 2022, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.

Full details of the assurance provided in this Statement can be found within the Internal Audit Annual Report for 2020/22, submitted to the Audit Committee on the 28th of July 2022

Under the Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standard (PSIAS), the council is required to undertake a review of the effectiveness of its Internal Audit function and to report the results in the Annual Governance Statement. It is considered that the council has effective arrangements in place for the provision of the Internal Audit Service. An external assessment of the conformance to the PSIAS will take place during 2022/23.

Rationale for “Adequate Assurance” Opinion

Definition	Description
<p>Adequate</p> 	<p>There are sound policies and processes in place, which are working effectively across services that provide for good governance arrangements and support compliance with requirements of this Principle and the achievement of the Councils’ aims and objectives.</p> <p>There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the Council’s overall governance framework.</p>
<p>Some development or areas for improvement</p> 	<p>Whilst there are policies and processes in place, there are some areas which remain a challenge for the Council or require further improvement, which may impact the effectiveness of elements of the Council’s governance arrangements, compliance with this principle and achievement of the Council’s aims and objectives. The Council has in place an action plan to address challenges and improvement matters.</p>
<p>Key development or many areas for improvement</p> 	<p>The Council has significant challenges in relation to the Policies and Processes and these have a detrimental impact on the ability to comply with this principle, which compromise the Council’s governance arrangements and the achievement of its aims and objectives. Plans for corrective actions to manage these risks have been created as required.</p>

REVIEW OF COMPLIANCE WITH LOCAL CODE OF CORPORATE GOVERNANCE 2020/21

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
<p>Principle A:</p> <p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	 <p>Adequate</p>	<ul style="list-style-type: none"> • The Council has a long-established Constitution which together with a range of codes of conduct, policies, and procedures, as seen in the Governance Framework, sets out how members and officers are expected to conduct themselves whilst discharging their duties. • A Local Code of Corporate Governance has been in place since its approval by the Audit Committee in November 2020. • Members and officers are required to record declarations of interest, and gifts and hospitality received to avoid potential issues of conflict of interest. These registers are reviewed annually by Internal Audit. • Procedures are in place to investigate potential breaches of standards or 	<ul style="list-style-type: none"> • It is acknowledged that the Constitution, while generally effective, requires modernisation. This review will work alongside the harmonisation of working arrangements with Brentwood Borough Council. • In a similar manner the Council has a long-established Anti-fraud & Corruption Policy that is considered generally fit for purpose, but requires an update, that is to be delivered in 2022/23. 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>behaviours by use of the Standards Committee for members. For staff, Disciplinary Procedures are in place for misconduct and the Improving Performance Policy is in place to support officers not working to expected standards.</p> <ul style="list-style-type: none"> • The Council has a good standard of training and outcomes in identifying and reporting safeguarding issues in both adult and child vulnerable categories. • All taxi drivers undertook safeguarding training and there was also training around equality issues when dealing with passengers, with wheelchairs, entering and leaving licensed vehicles. 		
Principle B:		<ul style="list-style-type: none"> • The Council has procedures that comply with the Freedom of Information Act and required elements of the 	<ul style="list-style-type: none"> • Although significant progress has been made, the Council's website is not yet fully compliant with 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
Ensuring openness and comprehensive stakeholder engagement	Adequate	<p>General Data Protection Regulations, such as subject access requests and publication of privacy notices.</p> <ul style="list-style-type: none"> • All Council or committee reports, where a decision is requested, are required to consider the impact of content across a range of subjects that include environmental, legality, equality & diversity and crime and disorder. • As much as possible Council or committee reports are published in full via the Council's website and recordings of many meetings are available on social media. Where content is restricted in line with legislation or commercial sensitivity this will be reported in private & confidential appendices that 	<p>accessibility requirements. Work is continuing to progress this issue</p> <ul style="list-style-type: none"> • Although several consultation exercises have been successfully carried out there is no overarching corporate engagement approach in place. This is in the process of being developed within a joint Corporate Communications Strategy with Brentwood Borough Council, with a planned completion during 2022/23. • A revised Customer Charter is under development, which will include revised complaint handling procedures. 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>are not publicly available or recorded.</p> <ul style="list-style-type: none"> • The Council is an active participant in joint community safety and health and wellbeing boards with key institutional stakeholders such as the local Clinical Commissioning Group, the Police, and the voluntary sector. • Statutory and discretionary consultations or surveys of residents or other commercial or institutional stakeholders, are carried out. These included but were not limited to a Budget Survey and a consultation on a revised Council Tax Support Scheme.. 		
<p>Principle C: Defining outcomes in</p>	 <p>Adequate</p>	<ul style="list-style-type: none"> • The Council's Business Plan (2020-23) and its intended outcomes was approved at Council in February 2020. 	<ul style="list-style-type: none"> • The action points arising from the Peer Review of 2019 have not been implemented in full. The impact of COVID required 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
terms of sustainable economic, social, and environmental benefit		<ul style="list-style-type: none"> • Key projects, under-pinning the Business Plan are fully risk assessed and supported by a detailed business case that considers costs, benefits, sustainability, and environmental and social impact. • A range of policies and procedures were approved by Council and committees through the year. These are documented in Committee Management Information System on the Council's website. • The Council plays an active part in the Association of South Essex Local Authorities and contributes to the South Essex Plan (a joint strategic plan). 	focus on business-as-usual priorities and latterly priority was given to the strategic partnership with Brentwood Borough Council. The partnership arrangements will, in fact, encompass much of the matters raised during the Peer Review.	
Principle D:		<ul style="list-style-type: none"> • The Council maintains a medium-term financial strategy (MTFS) that has a rolling five-year projection that informs the budget, 	<ul style="list-style-type: none"> • The Business Plan is due for refresh from 2023 and it is intended that outcomes will be more defined to enable effective 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
Determining the interventions necessary to optimise the achievement of the intended outcomes	Adequate	<p>incorporating service priorities and objectives. The MTFs for 2022/23 – 2026/27 was approved by Extraordinary Council on 22/2/2022.</p> <ul style="list-style-type: none"> • Key projects are subject to detailed pre-commencement scrutiny and an ongoing review for progress and control in both Member and Officer arenas. • There is a detailed quarterly Financial report to the Executive, which is publicly available via the Council's website. 	<p>performance monitoring. As part of that definition process Directorate and Service Delivery Plans are to be refreshed as part of the strategic arrangement with Brentwood Borough Council.</p> <ul style="list-style-type: none"> • Social value is referred to in key contracts but needs further development, in line with a published national procurement policy statement. A draft social value policy is being created and it is anticipated to have this in place alongside the Constitution and Contract Procedures reviews. (See Principle A) 	
Principle E: Developing the entity's capacity of its	 Adequate	<ul style="list-style-type: none"> • Use is made of partnership or other collaborative working where the added value can be determined in achieving objectives, such as use of partnership organisations to deliver 	<ul style="list-style-type: none"> • The scheme of delegations and responsibilities of members and officers are contained in the Constitution, which is in the process of an update (see Principle A) 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
leadership and the individuals within it		<p>stages of the Asset Development Programme or the Community Hub, building on relationship established during lockdowns to develop a long-term community asset.</p> <ul style="list-style-type: none"> • The Council maintains a Scheme of Delegation that specifies the types of decisions that may be delegated to individual Members and Officers and those that are reserved for the collective decision making of the Council. • There was a range of training and development sessions made available to Members during 2021/22 • As part of the Connect cultural and transformation programme, designed to reset the way the Council carries out its operational functions, a revised workforce development plan 	<ul style="list-style-type: none"> • Training and development in Health & Safety competencies is progressing. A health & safety staff survey carried out identified areas in training and communication that require development and measures are underway to address these areas. 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>was launched to link staff performance more closely to the Council's Business Plan, whilst making adaptations for changes in working patterns as laid out in the Agile Working Policy launched in February 2021. This plan includes a new structured appraisal system, which went live in the latter part of 2021/22</p> <ul style="list-style-type: none"> • The Council is committed to supporting officers in maintenance of professional standards and to provide a range of technical and self-help training packages to maximise staff capabilities. • Several training sessions, under the Workforce Development Plan have been rolled out. • Leadership training is underway for LT with mentoring / coaching both as a group and individually. 		

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<ul style="list-style-type: none"> The Council has imbedded health & wellbeing measures in place to support staff, including a panel of trained mental health first-aiders. These measures, including third-party support, have continued to be highlighted throughout the Covid Pandemic.. 		
<p>Principle F:</p> <p>Managing risks and performance through robust internal control and strong public financial management</p>	 <p>Some development or areas for improvement</p>	<ul style="list-style-type: none"> There is an embedded corporate risk framework that is fully reviewed by the Leadership Team annually and reported half-yearly to the Audit Committee. There is also an imbedded service area risk management process with risk registers that are regularly reviewed. These now include common risks relating to fraud prevention, health & safety, and data management Detailed risk registers are developed at the outset of 	<ul style="list-style-type: none"> Although Contract Risk Registers are in place, they are not effectively managed or regularly reviewed. A recommendation was accepted to address this resulting from Internal Audit work during 2021/22. Testing by Internal Audit has identified that procedures for procuring goods and services for values of up to £10k do not always provide documented evidence of obtaining best value as required by the 	<ul style="list-style-type: none"> Software changes have been introduced which should enable an effective approach for identifying and collecting overdue, unpaid invoices for goods or services provided by the Council. This approach requires prompt development and implementation to regain and maintain effective control.

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>any key project and are subject to review as a project progresses, with amendments made to ensure changing risks are identified and managed.</p> <ul style="list-style-type: none"> • The Council's ICT system was subject to an independent, external penetration test during 2021/22 to determine its level of security. No high-risk issues were identified. • There are regular budget reviews between Finance and service areas. • A detailed report of the progress of the financial position is reported to The Executive on a quarterly basis, and this is publicly available on the Council's website. • A detailed annual report is included in the Financial reporting, published at the time the accounts are 	<p>Contract Procedure Rules (CPR), although testing has shown this to be completed, but not recorded, in the majority of cases.. Note that this area has improved since audit work of 2020/21. Procedures for procurement above this £10k value appear more effectively controlled.</p> <ul style="list-style-type: none"> • It is acknowledged that Contract Procedure Rules, whilst generally fit for purpose, require an update, and these are in the process of review, alongside the Constitution. There will be some harmonisation with Brentwood Borough Council. (See Principle A) • The Covid pandemic impacted on the Council resulting in increased pressure on front-line services, significant 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>signed-off by the external auditors, although that for 2020/21 was not published until February.</p> <ul style="list-style-type: none"> • A revised form of reporting outcomes and achievements, in a user-friendly format, was introduced for 2021/22 • The external auditor assessed the Council's accounts for 2020/21 as unqualified, and these were signed-off as completed in February 2022. • Similarly, the external auditors signed off the Council's Value for Money arrangements for 2020/21 without qualification. • The draft accounts for 2021/22 are currently awaiting audit. • Reports and updates of the Council's Treasury Management arrangements 	<p>changes in working patterns as the offices were decanted, and social changes. Overall, the Council maintained a high level of services and provided community support with partners. Issues were identified in business continuity / emergency planning arrangements in reports to the Review Committee. Some key measures have been implemented to date and reviews of the Council's business continuity and emergency planning arrangements are under way, both internally and in conjunction with partner agencies.</p> <ul style="list-style-type: none"> • An external review of the effectiveness of the Review Committee, by The Centre of Governance and Scrutiny, was 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>are made annually to the Review Committee.</p> <ul style="list-style-type: none"> • During 2021/22, the Council continued to administer a series of grants, with different qualifying criteria, provided by Government to support residents and businesses in the District. Detailed risk assessments and procedures, including anti-fraud measures, were developed and the grants were processed in a timely manner. A review of grants carried out by Internal Audit Review did not identify any areas of concern. • The Council's internal audit team operates within the requirements of the Public Sector Internal audit standards as assessed in-year by the Chief Audit Executive (CAE). The Team holds conformance with the standards status following an 	<p>commissioned and reported upon during 2021/22. Recommendations were made and an action plan to implement these is in place.</p>	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>external review in 2018, with the next review due during 2022/23.</p> <ul style="list-style-type: none"> • The CAE has assessed the system of internal control at the Council for 2021/22 as adequate in his Annual Audit Opinion. • The Council has an Audit Committee that takes responsibility for overseeing risk management and financial control, receiving reports from, and providing challenge to Section 151 Officer, Internal Audit and External Audit. • The Review Committee provides a review and scrutiny function for decisions and operational procedures across the Council. This committee sets its own workplan annually. 		
Principle G:		<ul style="list-style-type: none"> • All Council and Committee reports are produced in a common style and structure, 		

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
<p>Implementing good practices in transparency' reporting and audit to deliver effective accountability</p>	 <p>Adequate</p>	<p>that are, subject to certain confidentiality requirements, readily available in the public domain through the Council's website.</p> <ul style="list-style-type: none"> • The Council continues to produce financial statements, statutory reports, and the Annual Government Statement in line with regulatory requirements. • Active steps are taken to maintain the accuracy of the Transparency Code published via the Council's website 		

Dealing With Last Year's Key Improvement Areas (AGS for 2020/21 Signed-off 22/2/22)

Governance Area	Governance Matters Identified / Actions Taken	Target Date	Lead Officer
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The revision of the constitution, including contract procedure rules, was recognised in several of the Principles as significant to improving governance arrangements See governance areas to be developed in 2022/23	2022/23	Monitoring Officer
Ensuring openness and comprehensive stakeholder engagement	A Council-wide Engagement approach will be agreed, following internal audit recommendations made during 2021/22. See governance areas to be developed in 2022/23	2022/23	AD People & Communities
Ensuring openness and comprehensive stakeholder engagement	A revised Customer Charter will be produced See governance areas to be developed in 2022/23	2022/23	AD Transformation & Customer
Managing risks and performance through robust internal control and strong public financial management	Effective procedures will be developed to monitor and manage debtors are in arrears for invoiced goods and services. Work has progressed during 2021/22 to implement a new IT solution to support this process, but further work is required to embed this during 2022/23. See governance areas to be developed in 2022/23	2022/23	S151 Officer
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Work will be undertaken to complete the outstanding action points from the LGA Peer Review	2022/23	Strategic Director

	Areas raised in the review will be encompassed in the #One Team Transformation Project with Brentwood Borough Council. See governance areas to be developed in 2022/23		
Determining the interventions necessary to optimise the achievement of the intended outcomes	Performance measures in terms of output and outcomes are under development to support the Business Plan objectives See governance areas to be developed in 2022/23	2022/23	S151 Officer
Compliance with CIPFA Financial Management Code from 2021/22 onwards	Initial areas identified for improvement will continue to be reviewed and progressed via the actions detailed within the AGS during 2022/23	2022/23	S151 Officer

GOVERNANCE AREAS TO BE DEVELOPED IN 2022/23

Governance Area	Governance Matters Identified / Actions Required	Target Date	Lead Officer
Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	A revised anti-fraud and corruption policy / strategy will be developed to strengthen the Council's zero-tolerance approach to fraud and corrupt activity, if identified, both internally and externally.	2022/23	S151 Officer
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	As acknowledged in the 2020/21 AGS, the Constitution, together with contract procedure rules, is currently under review incorporating some areas of alignment in the strategic partnership with Brentwood Borough Council. This will allow for increased staff resilience and capacity, and enable efficiencies across both Councils.	2022/23	Monitoring Officer
Principle B Ensuring openness and comprehensive stakeholder engagement	A council-wide consultation and engagement approach will form part of the Corporate Communications Strategy, to be developed jointly with Brentwood Borough Council.	2022/23	AD People & Communities
Ensuring openness and comprehensive stakeholder engagement	The Council's Customer Charter was reviewed, following the 2020/21 AGS, but bearing in mind development of the partnership with Brentwood Borough Council changes will not be implemented until joint working arrangements have been determined.	2022/23	AD Transformation & Customer
Ensuring openness and comprehensive stakeholder engagement	The Council will continue with further development of the Website to make it fully accessible to all residents and stakeholders	2022/23	AD Transformation & Customer

Governance Area	Governance Matters Identified / Actions Required	Target Date	Lead Officer
Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefit	The key governance issue for the Council moving forward is the development and implementation of the #One Team Transformation Project in the strategic partnership with Brentwood Borough Council.	2024/25	Chief Executive
Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes	The Business Plan is due for a refresh from 2023. This will include intended outcomes that will have better definition to enable effective performance monitoring. This will allow for early intervention in areas that may not be on track to meet the intended outcomes.	2022/23	Chief Executive
Principle F Managing risks and performance through robust internal control and strong public financial management	The Overview & Scrutiny Committee (formerly the Review Committee) will implement the recommendations arising from an external review by the Centre for Governance and Scrutiny to assist in strengthening the quality of scrutiny activities, and increase the impact of its outputs.	2023/24	Monitoring Officer
Managing risks and performance through robust internal control and strong public financial management	Following an upgrade in software for debtor management, effective procedures will be implemented to manage collection / recovery action for invoices for goods or services that are overdue or unpaid	2022/23	S151 Officer
Managing risks and performance through robust internal control and strong public financial management	Contract risk registers will be brought up to date to ensure changing risks and controls are both identified and effectively managed	2022/23	S151 Officer