



**Rochford District
Council**

COMMITTEE TITLE **Audit & Governance Committee**

DATE **2 July 2024**

REPORT TITLE:	Annual Governance Statements
REPORT OF:	Tim Willis, Interim Resources Director

REPORT SUMMARY

This report presents the Annual Governance Statement (AGS) for 2022-23 and 2023-24 for noting. They will be formally approved when incorporated into the publication of the final accounts.

RECOMMENDATIONS

- R1 To note the contents of the report.**
- R2 To agree that a half-yearly update on actions against the current AGS be reported to the Committee.**

BACKGROUND INFORMATION

1. The AGS describes and assesses the adequacy of the council’s governance arrangements. It includes the internal auditor’s opinion of the accounts. It also describes the actions the council has taken over the course of the year, and its plans to address any governance concerns over the next year.
2. The external auditor is interested in the council’s AGS which is incorporated into the final accounts when they are reported and published. The 2021-22 accounts are still being audited, and the AGS for that year has been supplied. The audit of the 2022-23 accounts is yet to begin, as is the audit of 2023-24 accounts. However, the external auditor’s Value For Money (VFM) opinion reflects all up-to-date information. This includes the VFM opinion on the 2021-22 accounts. It is therefore necessary to ensure that the AGSs are available to the external auditor at this time, to demonstrate to the external auditor that the council is up to date with its consideration of governance matters.

3. The AGS's should have been prepared and submitted earlier and measures are being put in place to ensure that they are prepared at the appropriate time in future years. As a result, whilst it is necessary for the council to have in place an AGS for 2022-23 it is recognised that it is difficult in it being produced at this time to adequately scrutinise the position and activity in 2022-23. The AGS for 2023-24 reflecting the year ending 31 March 2024 is of course much more reflective of the current position and should be the primary area of focus, particularly the areas of governance to address in the current financial year. To enable greater ownership of the AGS, the new Monitoring Officer has agreed that they shall be responsible for production of the AGS in the future.

KEY ISSUES

4. Detail is contained in the attached draft AGSs. For each AGS, the governance issues that were highlighted in the previous year AGS have actions described against them.
5. More currently, the 2023-24 AGS (section 6) sets out the governance issues that the council will be seeking to address during 2024-25 and progress against these will be reported in the AGS for 2024-25. These are:
 - Review and ensure clarity of the organisation's strategic priorities through the production and approval of a Corporate Plan that is subject to regular review
 - Develop and implement a new Asset Strategy and framework that demonstrates best practice for managing the Council's assets and supports delivery of the Council's corporate vision and priorities
 - Implement effective performance management arrangements and processes to enable the organisation to regularly consider and identify performance against the Corporate Plan including delivery of services, achievement of its strategic priorities, governance arrangements and organisational development
 - Review and update Contract Procedure Rules to ensure they are fit for purpose and support/enable an effective organisation
 - Review and update Financial Regulations to ensure they are fit for purpose and support/enable an effective organisation
 - Ensure effective operation of the new committee system of governance and sound understanding of the arrangements across all Elected Members and relevant officers.

OTHER OPTIONS CONSIDERED

6. None.

RELEVANT RISKS

7. The AGS itself describes governance risks and the actions to mitigate them.

ENGAGEMENT/CONSULTATION

8. None.

FINANCIAL IMPLICATIONS

9. The AGS is a component of the final accounts and will be formally approved at that point.

LEGAL IMPLICATIONS

10. None.

ECONOMIC IMPLICATIONS

11. None.

EQUALITY & HEALTH IMPLICATIONS

12. None.

ENVIRONMENTAL & CLIMATE IMPLICATIONS

13. None.

REPORT AUTHOR:

Name: Tim Willis

Title: Interim Resources Director and S151 Officer

Phone: 01277 312500

Email: tim.willis@brentwood.rochford.gov.uk

APPENDICES

Draft AGS 2022-23 – Appendix 1

Draft AGS 2023-24 – Appendix 2

ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

2022/23

CONTENTS

Section	Page
1. Scope of Responsibility	
2. The Corporate Governance Framework	
3. Review of Effectiveness	
4. Update on Governance Issues from 2021/22	
5. Internal Audit Opinion of Rochford District Council's Governance Arrangements	
6. Governance Areas of focus for 2023/24	
7. Certification	

1. Scope of Responsibility

Rochford District Council (the Council) is responsible for ensuring that its business is conducted lawfully, that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to continuously improve its functions, having regard to best practice, economy, efficiency, and effectiveness.

In discharging this duty, the Council acknowledges its responsibility for appropriately governing its affairs, the effective exercise of its functions and the management of its risks. The Council has adopted a Code of Corporate Governance (the Code) which defines the principles and practices that underpin our governance arrangements.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced the “Delivering Good Governance in Local Government framework (2016)”. This emphasises sustainability and the need to focus on the economic, social and environmental impacts that actions may have on future generations.

The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework. The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework. For the year ended 31 March 2023, the AGS shows our compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).

The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2022-23 and any changes planned for 2023-24.

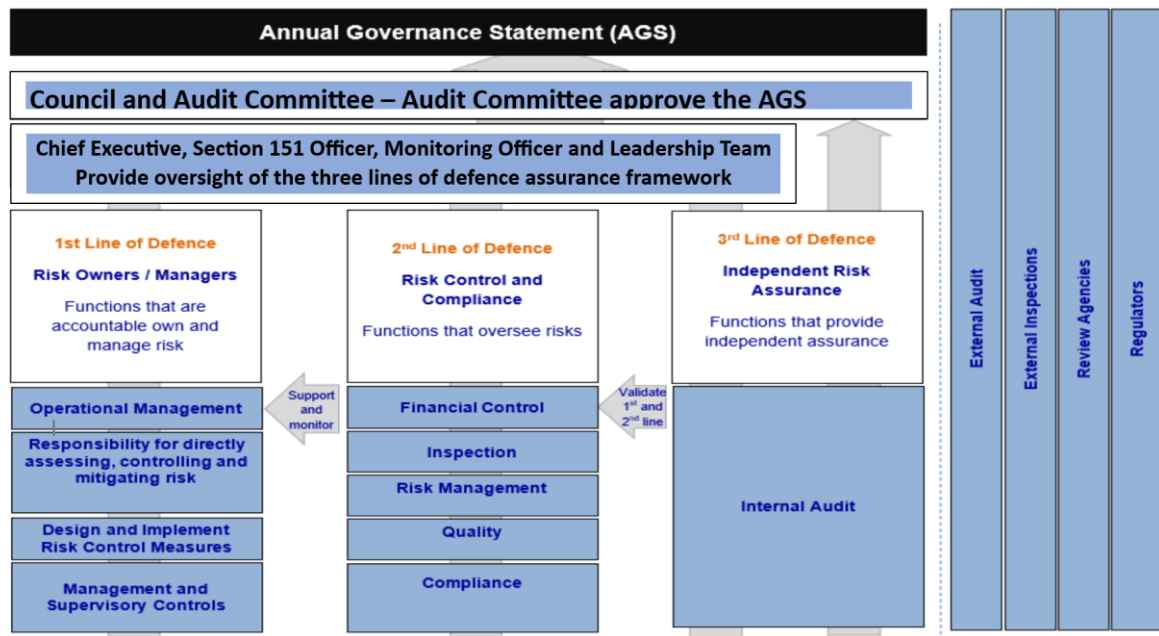
The Council’s Statutory Officers are as follows:

- Chief Executive (Head of Paid Service);
- Director of Resources (Section 151 or S151 Officer);
- Monitoring Officer (the MO).

They direct the annual reviews of the effectiveness of the Council’s governance arrangements against the Code, providing oversight and robust challenge. When completed, the findings are reported to the Audit Committee, which identifies and monitors any improvement actions.

2.The Corporate Governance Framework

Corporate governance refers to how the Council is led, controlled and held to account. The diagram below shows the Council's Governance, Risk and Control Framework pictorially.



The Council's governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner;
- Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
- Has effective arrangements for the management of risk; and
- Secures continuous improvement in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is managed. It enables the Council to monitor its objectives and consider whether these have led to the delivery of effective services and value for money. It enables the Council to monitor the achievement of its objectives.

The framework brings together legislative requirements, best practice principles and management processes. The system of internal control is a significant part of the framework and is designed to manage the Council's risks to a reasonable level. It cannot eliminate all risk of failure to achieve corporate objectives and can, therefore, only provide reasonable and not absolute assurance. The system of internal control, reinforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner;

- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;
- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Code recognises that effective governance is achieved through the following seven CIPFA/SOLACE principles:

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

3. Review of Effectiveness

The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of Committees, with clear delegation arrangements and protocols for effective communication and performance management;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which

clearly define how decisions are taken and the processes and controls required to manage risks;

- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements meet the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

The Council's governance framework has operated effectively throughout 2022-23 and up to the date of approval of the annual statement of accounts and the AGS.

The governance framework is consistent with the principles set out in the CIPFA-SOLACE Framework, and is reviewed on an annual basis. The table below is a summary of the Council's compliance to the CIPFA-SOLACE Framework:

PRINCIPLE A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
<p>Arrangements in place:</p> <ul style="list-style-type: none"> • Member and officer codes of conduct • Confidential Reporting arrangements • Counter Fraud, Bribery and Corruption Strategy • Fraud Response Plan • Financial Regulations and underpinning financial procedures in place • Contract Standing Orders • Declaration of interests procedure • Register of interests (Members and Senior Officers) • Register of gifts and hospitality • Customer feedback and complaints procedure with oversight by Management Team • Equalities & Diversity Policy and procedures • Equality impact assessments are undertaken • Climate Change / Environmental impact assessment are undertaken

- Information governance policy and framework supported by security policies in place
- There is a designated senior information risk owner in post (SIRO)
- Recruitment/ selection procedures aligned with corporate ethos and values
- Customer Care training is mandatory for all front line staff
- The Council participates in the National Fraud Initiative
- Staff required to confirm that they have read and understood the Council's anti-fraud, bribery and corruption arrangements.
- Internal audit plan coverage includes governance and ethics related audits, in line with the Public Sector Internal Audit Standards.
- Any planning applications submitted by staff are reviewed in public
- Agenda management sheets of Council reports include a requirement to highlight the legal implications of decisions
- Records of regulatory training required and undertaken are retained on the Council's HR system
- The Council has an independent persons panel in place which is available for consultation regarding any conduct related complaints.
- The Council has implemented arrangements to ensure compliance with the requirements of the Homelessness Reduction Act 2018.
- Shareholders Committees are in place to oversee the activity of the trading companies.
- Team meetings and 121s provide an additional opportunity for officers to raise any concerns they may have

Conclusion:

The Council was compliant with Principle A of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

Arrangements in place:

- The Council publishes on its website a range of information including meeting agendas and reports, financial and procurement data, invitations to tender, senior officer salaries, the contracts register, annual governance statement and financial statements, corporate performance information, planning applications and decisions, delegated decisions and section 106 agreements. •
- Records are retained detailing any decisions taken by officers using their delegated authority, including the rationale. Such decisions are also published.
- The strategic risk register is scrutinised by the Audit Committee.
- The Council consults widely and comprehensively with stakeholders on its proposals. Wider engagement takes place via the Association of South Essex Local Authorities (ASELA) and the Local Enterprise Partnership.
- There is a Scrutiny Committee work programme in place, with members of the public invited to recommend topics and attend annual work planning meetings.
- A Forward Plan is in place setting out what consultation will be undertaken in advance of decisions being made, and with whom.
- A register of Equality, Diversity and Inclusion activities is in place and kept up to date. Equality & diversity training is mandatory for all staff.
- Equality, Diversity & Inclusion Policy Statement and Objectives reviewed by the Equality & Diversity Steering Group, and amended to ensure alignment with the Corporate Strategy
- A communications strategy is in place.
- Customer feedback procedures are in place.
- Active engagement with employees takes place in several ways including through a bi-annual survey, regular employee briefings, the employee network, team meetings and through the Joint Union Consultation Forum.
- Employment policies are developed in consultation with staff and trade unions.
- Cross party working groups are operated as an additional measure which ensures engagement with a broad range of stakeholders on key Council decisions.
- Council meetings are live streamed and recordings are retained on the Council's website
- The Business Plan 2020-2023 is supported by Service Plans

Conclusion:

The Council was compliant with Principle B of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE C

Defining outcomes in terms of sustainable economic, social, and environmental benefit

Arrangements in place:

- A Business Plan is in place covering the period 2021-2023. The Plan and future delivery documents will provide clear direction to members, staff and other stakeholders. It will also inform the better use of Council resources to deliver priorities. It has not been developed in isolation and has taken account of national, regional, county-wide and local priorities.
- The Medium Term Financial Plan is regularly reviewed and updated.
- Cabinet and Committee reports set out the potential impacts of changes on stakeholders.
- Strategic and operational risk registers are in place.
- The Council has declared a climate emergency and has committed to address its impact on the climate.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.
- There is a clear vision for Rochford through the Business Plan 2021-2023 and other underpinning policy and strategy documents available on the Council's website.
- All planning and development decisions are considered openly and transparently in terms of their economic, social, and environmental benefits and impacts.
- The Council is targeting Carbon neutral by 2023, the key documents to support this are the Rochford's Sustainability Strategy 2022-2030, Carbon Neutral 2030 Policy and Carbon Neutral 2030 Action Plan.

Conclusion:

The Council was compliant with Principle C of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE D

Determining the interventions necessary to optimise the achievement of intended outcomes

Arrangements in place:

- The Council manages performance through published national and local management performance indicators; this enables intervention to be targeted where it is needed.
- The Business Plan and service plans are designed to ensure that the Council targets the actions necessary to deliver the Corporate Strategy.
- Strategic risk registers are in place linked to strategic and operational targets, detailing the controls in place and the interventions planned to ensure delivery of objectives.
- Each service areas is led by a Director, and dedicated member portfolio holders are aligned with these service areas.
- Committee and Cabinet reports set out the risks and options associated with decisions.
- Quarterly finance and performance reports are submitted to and reviewed by Cabinet.
- An annual budget report and precept setting report, is submitted to Council for approval and there is an established budget setting and monitoring process, which the Council looks to improve year on year, with greater focus on ownership and accountability.
- The Medium-Term Financial Plan is regularly reviewed and updated.
- Approved Asset Management Strategy in place.
- The Council is targeting Carbon neutral by 2023, the key documents to support this are the Rochford's Sustainability Strategy 2022-2030, Carbon Neutral 2030 Policy and Carbon Neutral 2030 Action Plan.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.
- There is a Forward Plan of key decisions and scrutiny committee arrangements in place.
- A customer feedback procedure is in place.
- A Programme Board in place to oversee delivery of the Business Plan 2020-2023 . Key corporate projects also have governance boards in place to provide oversight and ensure effective delivery.
- Financial regulations and instructions are in place.
- Quarterly reports on treasury management activities are submitted to the Audit Committee.

Conclusion:

The Council was compliant with Principle D of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Arrangements in place:

- Each member of the leadership team undertakes professional development appropriate to their role.
- The respective roles of the Chief Executive and Leader are clearly defined.
- The leadership team meets every week and Cabinet meets on a regular basis.
- Section 151 Officer, Monitoring Officer, and Senior Information Risk Owner (SIRO) are in post.
- The Constitution sets out roles and responsibilities and the Council's decision-making process. An approved scheme of delegation is in place.
- Contract Standing Orders and associated toolkits are in place and are designed to ensure procurement activity is cost effective and ethical.
- Registers of gifts, hospitality, and conflicts of interest in place.
- Gifts and hospitality policy in place.
- Protocol in place setting out relationship between members and officers.
- Member training and development programme in place, including dedicated training for planning and licensing committee members.
- Thorough induction processes are in place for all new employees and members, linked to the corporate ethos and values.
- Job profiles clearly set out the responsibilities of officers throughout the organisation.
- HR and Learning and Development Strategies, and Corporate Learning Group in place.
- System of regular team meetings and one to one meetings between managers and staff.
- Employee health and wellbeing is actively promoted, and confidential employee counselling support is always available. Staff are encouraged to complete wellbeing action plans and discuss them with their line manager.
- A comprehensive suite of training and development courses is offered to all employees.
- The Council has a comprehensive suite of HR policies covering employee capability, disciplinary, recruitment and selection, disciplinary and grievance, and flexible working.
- An established Corporate Apprenticeship Scheme is in place.
- Where projects are required, teams are put in place based upon the skills and experience available.
- The Council develops the capacity of community and voluntary groups to become more self-sufficient.
- The Council participates in the Local Authority Challenge.
- Officers are encouraged to subscribe to their relevant professional bodies. This is paid for and supports Continuing Professional Development of the workforce

Conclusion:

The Council was compliant with Principle E of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE F

Managing risks and performance through robust internal control and strong public financial management

Arrangements in place:

- Risk management strategy in place and reviewed and updated during the year.
- Strategic and operational risk registers are in place; the strategic risk register is aligned with the corporate strategy.
- The Leadership Team, Audit Committee, Cabinet, Strategic Risk Management Group, and the Health & Safety Committee, all oversee the risk management arrangements.
- The Health & Safety Committee is chaired by a Strategic Director which demonstrates that senior management is taking a lead in risk management.
- A regular risk assessment of the Council's financial reserves and balances is conducted. Key risks are identified, and potential financial impacts are quantified. Reserves are reviewed annually in the context of the risk assessments.
- The annual General Fund budget and level of Council Tax are set taking into account a Section 25 statement from the Chief Officer Finance & Performance on the robustness of estimates and adequacy of reserves.
- A Medium-Term Financial Plan in place, and is fully updated on an annual basis.
- Financial information is published on a regular basis and established and embedded budget setting and monitoring procedures are in place.
- The Council has a 'No Purchase Order, no pay' policy in place.
- Financial regulations and instructions are in place.
- Cabinet and Committee system in place including a scrutiny committee and an Audit & Committee with independent Chair and Vice Chairs.
- Programme Board and project management framework in place.
- Training is provided to all members of Committees to ensure that they are suitably skilled to carry out their role effectively. The training is also offered to other members who may be interested in taking up future roles on these Committees.
- Counter fraud strategy, fraud response plan and confidential reporting code in place.
- The internal audit service provides an independent and objective annual report and opinion.
- Chief Officers have all completed an annual return declaring that the control environment for their area of responsibility has been followed throughout the year and that governance arrangements set out in this document are correctly stated.
- Service planning and Key Performance Indicators (KPIs) are developed in line with the Corporate Strategy.
- Performance data is reported quarterly to the Executive.
- Data sharing protocols are in place where applicable.
- Shareholders Committee in place to oversee the activity of the trading companies.

Conclusion:

The Council was compliant with Principle F of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Arrangements in place:

- A range of information is published including an annual report of internal audit, the financial statements, the annual report of the external auditor and this annual

governance statement, which contains an action plan demonstrating a commitment to continuous improvement.

- All reports are subject to a robust internal review process to ensure they are presented in an understandable style.
- The performance information set out in the financial statements is prepared in consideration of the presentational approach adopted by other similar authorities. • Performance data is reported to Cabinet and the Leadership Team, and is reviewed by the Scrutiny committee.
- In accordance with the Local Government Transparency Code there is an open data section on the Council's website which includes details of senior officer salaries.
- Details of delegated decisions taken by officers are published on the website.
- Independent scrutiny training has been provided to members, the Democratic Services team and the Leadership Team.
- Implementation of external audit recommendations is monitored by the Chief Finance and Performance Officer.
- Implementation of internal audit recommendations is monitored by the Interim Director, Resources, and reported to the Audit Committee.
- The Interim Director Resources and Head of Audit are provided with direct unfettered access to the Chief Executive, and Chair and Vice Chairs of the Audit Committee.
- The Council submits itself to external peer reviews including by the Local Government Association and has welcomed an equalities and diversity peer review and challenge.
- Regulation of Investigatory Powers Act (RIPA) policy in place.
- Invitations to tender are published along with the contracts register.
- The Council prepares and publishes an annual report setting out its achievements over the last year; this is reviewed and discussed by the Scrutiny Committee.
- Senior officers are members of and attend professional peer working groups. This helps to ensure continuous improvement and enables the Council to implement best practice

Conclusion:

The Council was compliant with Principle G of the CIPFA-SOLACE Framework during 2022/23 and this compliance has been maintained to the date this statement was signed.

4. Update on Governance Issues from 2021/22

Set out below are the updates for the Governance issues from the 2021/22 Annual Governance report and the action taken in 2022/23:

PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

<p>Planned Action: 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.</p>	<p>The anti-fraud and corruption policy was led by People & Policy, but this department no longer exists. Lack of ownership at the corporate level has meant that no new policy has been created. However, this will be addressed in future. Additionally, the major area of local government fraud tends to be in Revenues, Benefits or Social Housing. Rochford does not manage social housing, and its Revenues & Benefits team operate their own, up to date anti-fraud policies.</p>
<p>Planned Action: 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.</p>	<p>The Contract Procedure Rules were updated for any legal changes but a comprehensive review was deferred, pending the new Procurement Bill.</p>
<p>PRINCIPLE B Ensuring openness and comprehensive stakeholder engagement</p>	
<p>Planned Action: A council-wide consultation and engagement approach will form part of the Corporate Communications Strategy, to be developed jointly with Brentwood Borough Council.</p>	<p>In accordance with the need for a council-wide consultation and engagement approach, a draft joint Engagement and Consultation Strategy will be developed produced alongside Brentwood Borough Council. This will then go out to consultation with relevant stakeholders of both Councils. This will then be approved and implemented by committee by the end of 2024.</p>
<p>Planned Action: 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.</p>	<p>Building upon the review of the Council's Customer Charter, the Customer Services team across RDC and BBC were aligned, and a new draft of said charter will be taken to committee in the new municipal year.</p>
<p>Planned Action: The Council will continue with further development of the website to make it fully accessible to all residents and stakeholders.</p>	<p>New website launched, which meets WCAG 2.1 AA standard and AAA, where possible.</p>
<p>PRINCIPLE C Defining outcomes in terms of sustainable economic, social, and environmental benefit</p>	

<p>Planned Action: 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.</p>	<p>In order to satisfy the need for the development and implementation of the #One Team transformation project, governance, a programme board and transformation plans have been developed and put in place.</p>
<p><u>PRINCIPLE D</u> Determining the interventions necessary to optimise the achievement of intended outcomes</p>	
<p>Planned Action: 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.</p>	<p>The Business Plan for 2024-2030 for Rochford District Council is currently being developed, with particular focus being drawn upon performance monitoring.</p>
<p><u>PRINCIPLE F</u> Managing risks and performance through robust internal control and strong public financial management</p>	
<p>Planned Action: 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.</p>	<p>Overview and scrutiny committees have the power to 'call in' decisions made by their executives in the Rochford District Council's previous cabinet structure. Decisions can be reviewed and make recommendations for Council to reconsider.</p> <p>Due to the implementation of the committee style of governance in May 2024. The Scrutiny and Performance Committee will adopt a Scrutiny Work programming to be developed under the for determining which topics scrutiny will look at over the coming year, either at committee meetings or in task and finish groups.</p> <p>This makes sure scrutiny can be flexible and responsive to high-priority issues, gather evidence on issues affecting local people or policy changes and make recommendations based on its findings throughout the year.</p>
<p>Planned Action: 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.</p>	<p>Debt management was subject to an implementation of a new systems module for collection and recovery. The system has the capability to send automatic reminders and, although there is still some manual intervention involved in maximising the benefits, debt recovery has improved as a result of the changes.</p>

Planned Action:

Contract risk registers will be brought up to date to ensure changing risks and controls are both identified and effectively managed.

Contract leads were engaged to update contract risk registers. A specific risk was included in the 2022/23 corporate risk register in relation to the highest contract risks. An independent review was commissioned and reported to the Executive in respect of a significant risk arising from an existing contract, the recommendations from which are to be implemented.

5. Internal Audit Opinion of Rochford District Council's Governance Arrangements

CHIEF AUDIT EXECUTIVE OPINION

My audit opinion is based upon, and restricted to, the work that has been performed during the year, including assessments of the:

- design and operation of the underpinning assurance framework and supporting processes, including reliance on other assurance providers where appropriate;
- range of individual opinions arising from our risk-based audit assignments contained within the internal audit risk-based plan that has been reported throughout the year; and
- the relative materiality of the areas reviewed and management's progress in respect of addressing control weaknesses identified.

In terms of breadth of coverage, audit work has been performed across the Council's key services and in relation to its strategic risks where possible. The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.

In respect of sundry debt management although debts are now being pursued there are still a number of other areas that need to be addressed. This area was reported as weak in 2021/22, as a result a 'limited' direction of travel opinion has been reported for 2022/23.

Cyber threats to Local Authorities are significant and continuously evolving: with substantial numbers of cyber-attacks occurring on a daily basis. Unpredictable and diverse in nature, these attacks range from high volume, opportunistic attacks to highly sophisticated and persistent threats involving bespoke malware. Audit testing confirmed that the council's network had been subject to external penetration testing and an action plan produced to track all reported issues through to resolution. All critical security issues had been addressed. Work to address the one remaining high-risk issue on external web applications is in progress. Rochford Council was one of a number of authorities that suffered a potential data breach. Rochford Council was informed in May 2023 that Revenues and Benefits information stored on a Hosting Service used by Capita, was for a period, potentially capable of being accessed by unauthorised persons. Capita have since concluded their investigation in respect of Rochford Council data and provided details of their findings.

Opinion

Despite delivering a reduced audit plan for 2022/23 the CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the council's arrangements. Based on the work performed during 2022/23 and other sources of assurance the CAE 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 2023, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.

The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.

Governance

The operation and effectiveness of the Audit Committee is a key element to the Councils effective systems of audit and review. Rochford Council is yet to appoint an Independent Person to its Audit Committee, delegated authority to do so was given by Full Council in December 2022. The Redmond Review of 2020 recommended that local authorities appoint at least one independent member to audit committees to ensure they have the necessary expertise to carry out their role effectively. Audit committees are also a fundamental cornerstone of an authority's corporate governance framework.

CIPFA have recently issued a new position statement on Audit Committees in Local Government. It suggests the committee should report annually on how it has discharged its responsibilities and include an assessment of its performance. This is an area for future development for the Council and should form part of the Annual Governance Statement Action Plan.

There has been a significant change in personnel at Rochford, since the creation of a formal strategic partnership between Brentwood Borough Council and Rochford District Council (formalised in February 2022 following a six-month trial period with a joint chief executive). During 2022/23 the Corporate Leadership Team included a number of interim managers that occupied statutory officers' roles, steps have since been taken to reduce the number of interim managers. The Ministry of Housing, Communities & Local Government (now the Department for Levelling Up, Housing and Communities) published a short guide in 2020 to share lessons learnt from both statutory and non-statutory interventions in local authorities. It suggested that a lack of effective corporate leadership, including an over-reliance on interim statutory officers, could indicate that a local authority may be experiencing serious governance issues. It is important that the strategic partnership gains some stability within the Leadership team and in particular the statutory positions. This point should be included within the Council's Annual Governance Statement.

No issues, other than those already disclosed above, have come to the attention of the Chief Audit Executive that need to be disclosed in the Annual Governance Statement.

6. Governance Areas of focus for 2023/24

The Council, Chief Executive and wider senior Offices are committed to ensure the high standards of governance are maintained and remain embedded across the authority. Governance will also remain an area for further development and the following actions are planned in 2023/24. In each case the issue and planned action links the CIPFA-SOLACE framework principle:

<u>PRINCIPLE A</u> Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Issue Identified: 1. Review the corporate values in light of the partnership with Brentwood Council
<u>PRINCIPLE D</u> Determining the interventions necessary to optimise the achievement of intended outcomes
Issue Identified: 2. Review corporate priorities for 2023/24 Council
<u>PRINCIPLE E</u> Developing the entity's capacity, including the capability of its leadership and the individuals within it
Issue Identified: 3. Complete the OneTeam recruitment to the top four tiers of management
Issue Identified: 4. Take stock of the OneTeam transformation programme and set out the future direction
<u>PRINCIPLE G</u> Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Issue Identified: 5. Recruit an Independent Person to sit on the Audit Committee to enhance accountability

7. Certification

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 revised 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.

Each year the Council is legally required to conduct an annual review of the effectiveness of its systems of risk management and internal control, i.e., governance arrangements, through the publication of an Annual Governance Statement (AGS).

This AGS provides assurances on compliance with The Code for the year ending 31st of March 2023 but will include the position up to the date of sign-off of the Annual Accounts.

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.

**Councillor
Leader of the Council**

Chief Executive

Date:

Date:

ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

2023/24

CONTENTS

Section	Page
1. Scope of Responsibility	
2. The Corporate Governance Framework	
3. Review of Effectiveness	
4. Update on Governance Issues from 2022/23	
5. Internal Audit Opinion of Rochford District Council's Governance Arrangements	
6. Governance Areas of focus for 2024/25	
7. Certification	

1. Scope of Responsibility

Rochford District Council (the Council) is responsible for ensuring that its business is conducted lawfully, that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to continuously improve its functions, having regard to best practice, economy, efficiency, and effectiveness.

In discharging this duty, the Council acknowledges its responsibility for appropriately governing its affairs, the effective exercise of its functions and the management of its risks. The Council has adopted a Code of Corporate Governance (the Code) which defines the principles and practices that underpin our governance arrangements.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced the “Delivering Good Governance in Local Government framework (2016)”. This emphasises sustainability and the need to focus on the economic, social and environmental impacts that actions may have on future generations.

The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework. The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework. For the year ended 31 March 2023, the AGS shows our compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).

The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2023-24 and any changes planned for 2024-25.

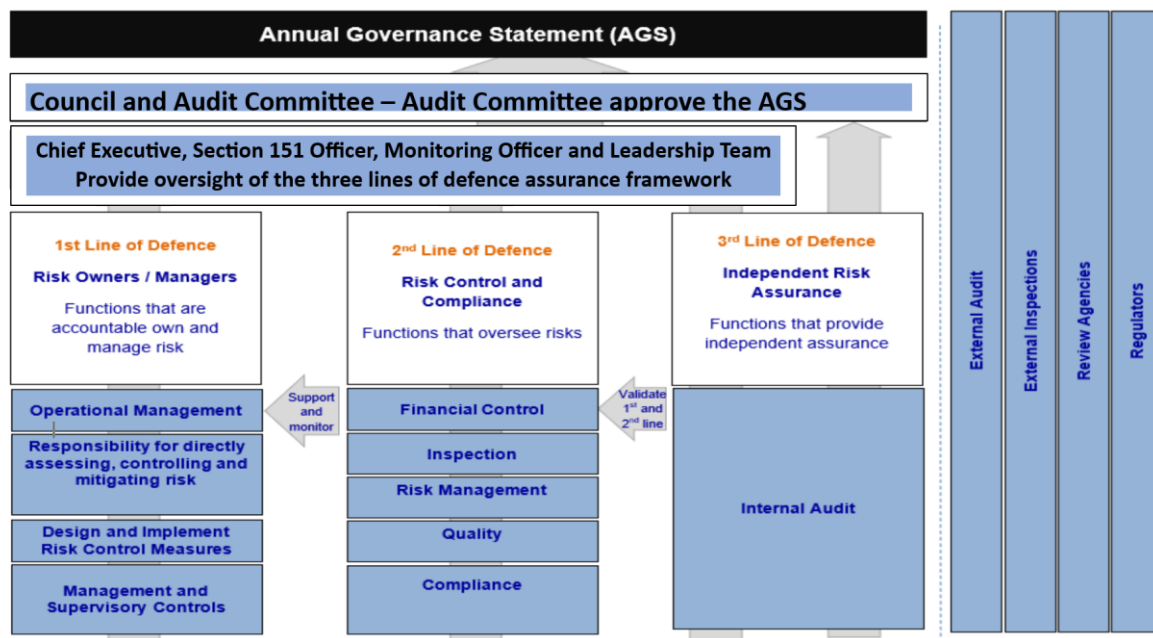
The Council’s Statutory Officers are as follows:

- Chief Executive (Head of Paid Service);
- the Director of Resources (Section 151 or S151 Officer);
- and the Monitoring Officer (the MO).

They direct the annual reviews of the effectiveness of the Council’s governance arrangements against the Code, providing oversight and robust challenge. When completed, the findings are reported to the Audit Committee, which identifies and monitors any improvement actions.

2.The Corporate Governance Framework

Corporate governance refers to how the Council is led, controlled and held to account. The diagram below shows the Council’s Governance, Risk and Control Framework pictorially.



The Council’s governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner;
- Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
- Has effective arrangements for the management of risk; and
- Secures continuous improvement in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is managed. It enables the Council to monitor its objectives and consider whether these have led to the delivery of effective services and value for money. It enables the Council to monitor the achievement of its objectives.

The framework brings together legislative requirements, best practice principles and management processes. The system of internal control is a significant part of the framework and is designed to manage the Council’s risks to a reasonable level. It cannot eliminate all risk of failure to achieve corporate objectives and can, therefore, only provide reasonable and not absolute assurance. The system of internal control, reinforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner;
- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;

- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Code recognises that effective governance is achieved through the following seven CIPFA-SOLACE principles:

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

3. Review of Effectiveness

The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of Committees, with clear delegation arrangements and protocols for effective communication and performance management;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements meet the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

The Council's governance framework has operated effectively throughout 2023-24 and up to the date of approval of the annual statement of accounts and the AGS.

The governance framework is consistent with the principles set out in the CIPFA-SOLACE Framework, and is reviewed on an annual basis. The table below is a summary of the Council's compliance to the CIPFA-SOLACE Framework:

PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements in place:

- Member and officer codes of conduct
- Confidential Reporting arrangements
- Counter Fraud, Bribery and Corruption Strategy
- Fraud Response Plan
- Financial Regulations and underpinning financial procedures in place
- Contract Standing Orders
- Declaration of interests procedure
- Register of interests (Members and Senior Officers)
- Register of gifts and hospitality
- Customer feedback and complaints procedure with oversight by Management Team
- Equalities & Diversity Policy and procedures
- Equality impact assessments are undertaken
- Climate Change / Environmental impact assessment are undertaken
- Information governance policy and framework supported by security policies in place
- There is a designated senior information risk owner in post (SIRO)
- Recruitment/ selection procedures aligned with corporate ethos and values
- Customer Care training is mandatory for all front line staff
- The Council participates in the National Fraud Initiative
- Staff required to confirm that they have read and understood the Council's anti-fraud, bribery and corruption arrangements.
- Internal audit plan coverage includes governance and ethics related audits, in line with the Public Sector Internal Audit Standards.
- Any planning applications submitted by staff are reviewed in public
- Agenda management sheets of Council reports include a requirement to highlight the legal implications of decisions
- Records of regulatory training required and undertaken are retained on the Council's HR system
- The Council has an independent persons panel in place which is available for consultation regarding any conduct related complaints.
- The Council has implemented arrangements to ensure compliance with the requirements of the Homelessness Reduction Act 2018.
- Shareholders Committees are in place to oversee the activity of the trading companies.
- Team meetings and 121s provide an additional opportunity for officers to raise any concerns they may have

Conclusion:

The Council was compliant with Principle A of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

Arrangements in place:

- The Council publishes on its website a range of information including meeting agendas and reports, financial and procurement data, invitations to tender, senior officer salaries, the contracts register, annual governance statement and financial statements, corporate performance information, planning applications and decisions, delegated decisions and section 106 agreements. •
- Records are retained detailing any decisions taken by officers using their delegated authority, including the rationale. Such decisions are also published.
- The strategic risk register is scrutinised by the Audit Committee.
- The Council consults widely and comprehensively with stakeholders on its proposals. Wider engagement takes place via the Association of South Essex Local Authorities (ASELA) and the Local Enterprise Partnership.
- There is a Scrutiny Committee work programme in place, with members of the public invited to recommend topics and attend annual work planning meetings.
- A Forward Plan is in place setting out what consultation will be undertaken in advance of decisions being made, and with whom.
- A register of Equality, Diversity and Inclusion activities is in place and kept up to date. Equality & diversity training is mandatory for all staff.
- Equality, Diversity & Inclusion Policy Statement and Objectives reviewed by the Equality & Diversity Steering Group, and amended to ensure alignment with the Corporate Strategy
- A communications strategy is in place.
- Customer feedback procedures are in place.
- Active engagement with employees takes place in several ways including through a bi-annual survey, regular employee briefings, the employee network, team meetings and through the Joint Union Consultation Forum.
- Employment policies are developed in consultation with staff and trade unions.
- Cross party working groups are operated as an additional measure which ensures engagement with a broad range of stakeholders on key Council decisions.
- Council meetings are live streamed and recordings are retained on the Council's website
- The Business Plan is supported by Service Plans

Conclusion:

The Council was compliant with Principle B of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE C**Defining outcomes in terms of sustainable economic, social, and environmental benefit****Arrangements in place:**

- A Business Plan is in place. The Plan and future delivery documents will provide clear direction to members, staff and other stakeholders. It will also inform the better use of Council resources to deliver priorities. It has not been developed in isolation and has taken account of national, regional, county-wide and local priorities.

- The Medium Term Financial Plan is regularly reviewed and updated.
- Cabinet and Committee reports set out the potential impacts of changes on stakeholders.
- Strategic and operational risk registers are in place.
- The Council has declared a climate emergency and has committed to address its impact on the climate.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.
- There is a clear vision for Rochford through the Business Plan and other underpinning policy and strategy documents available on the Council's website.
- All planning and development decisions are considered openly and transparently in terms of their economic, social, and environmental benefits and impacts.

Conclusion:

The Council was compliant with Principle C of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE D

Determining the interventions necessary to optimise the achievement of intended outcomes

Arrangements in place:

- The Council manages performance through published national and local management performance indicators; this enables intervention to be targeted where it is needed.
- The Business Plan and service plans are designed to ensure that the Council targets the actions necessary to deliver the Corporate Strategy.
- Strategic risk registers are in place linked to strategic and operational targets, detailing the controls in place and the interventions planned to ensure delivery of objectives.
- Each service areas is led by a Director, and dedicated member portfolio holders are aligned with these service areas.
- Committee and Cabinet reports set out the risks and options associated with decisions.
- Quarterly finance and performance reports are submitted to and reviewed by Cabinet.
- An annual budget report and precept setting report, is submitted to Council for approval and there is an established budget setting and monitoring process, which the Council looks to improve year on year, with greater focus on ownership and accountability.
- The Medium-Term Financial Plan is regularly reviewed and updated.
- Approved Asset Management Strategy in place.
- The Council is targeting Carbon neutral by 2023, the key documents to support this are the Rochford's Sustainability Strategy 2022-2030, Carbon Neutral 2030 Policy and Carbon Neutral 2030 Action Plan.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.

- There is a Forward Plan of key decisions and scrutiny committee arrangements in place.
- A customer feedback procedure is in place.
- A Programme Board in place to oversee delivery of the Business Plan 2020-2023 . Key corporate projects also have governance boards in place to provide oversight and ensure effective delivery.
- Financial regulations and instructions are in place.
- Quarterly reports on treasury management activities are submitted to the Audit Committee.

Conclusion:

The Council was compliant with Principle D of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Arrangements in place:

- Each member of the leadership team undertakes professional development appropriate to their role.
- The respective roles of the Chief Executive and Leader are clearly defined.
- The leadership team meets every week and Cabinet meets on a regular basis.
- Section 151 Officer, Monitoring Officer, and Senior Information Risk Owner (SIRO) are in post.
- The Constitution sets out roles and responsibilities and the Council's decision-making process. An approved scheme of delegation is in place.
- Contract Standing Orders and associated toolkits are in place and are designed to ensure procurement activity is cost effective and ethical.
- Registers of gifts, hospitality, and conflicts of interest in place.
- Gifts and hospitality policy in place.
- Protocol in place setting out the relationship between and roles of members and officers.
- Member training and development programme in place, including dedicated training for planning and licensing committee members.
- Thorough induction processes are in place for all new employees and members, linked to the corporate ethos and values.
- Job profiles clearly set out the responsibilities of officers throughout the organisation.
- HR and Learning and Development Strategies, and Corporate Learning Group in place.
- System of regular team meetings and one to one meetings between managers and staff.
- Employee health and wellbeing is actively promoted, and confidential employee counselling support is always available. Staff are encouraged to complete wellbeing action plans and discuss them with their line manager.
- A comprehensive suite of training and development courses is offered to all employees.

- The Council has a comprehensive suite of HR policies covering employee capability, disciplinary, recruitment and selection, disciplinary and grievance, and flexible working.
- An established Corporate Apprenticeship Scheme is in place.
- Where projects are required, teams are put in place based upon the skills and experience available.
- The Council develops the capacity of community and voluntary groups to become more self-sufficient.
- The Council participates in the Local Authority Challenge.
- Officers are encouraged to subscribe to their relevant professional bodies. This is paid for and supports Continuing Professional Development of the workforce

Conclusion:

The Council was compliant with Principle E of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE F

Managing risks and performance through robust internal control and strong public financial management

Arrangements in place:

- Risk management strategy in place, which was reviewed and updated during the year.
- Strategic and operational risk registers are in place; the strategic risk register is aligned with the corporate strategy.
- The Leadership Team, Audit Committee, Cabinet, Strategic Risk Management Group, and the Health & Safety Committee, all oversee the risk management arrangements.
- The Health & Safety Committee is chaired by a Strategic Director which demonstrates that senior management is taking a lead in risk management.
- A regular risk assessment of the Council's financial reserves and balances is conducted. Key risks are identified, and potential financial impacts are quantified. Reserves are reviewed annually in the context of the risk assessments.
- The annual General Fund budget and level of Council Tax are set taking into account a Section 25 statement from the Chief Officer Finance & Performance on the robustness of estimates and adequacy of reserves.
- A Medium-Term Financial Plan is in place, and is fully updated on an annual basis.
- Financial information is published on a regular basis and established and embedded budget setting and monitoring procedures are in place.
- The Council has a 'No PO, no pay' policy in place.
- Financial regulations and instructions are in place.
- Cabinet and Committee system in place including a scrutiny committee and an Audit & Committee with independent Chair and Vice Chairs.
- Programme Board and project management framework in place.
- Training is provided to all members of Committees to ensure that they are suitably skilled to carry out their role effectively. The training is also offered to other members who may be interested in taking up future roles on these Committees.

- Counter fraud strategy, fraud response plan and confidential reporting code in place.
- The internal audit service provides an independent and objective annual report and opinion.
- Chief Officers have all completed an annual return declaring that the control environment for their area of responsibility has been followed throughout the year and that the governance arrangements set out in this document are correctly stated.
- Service planning and Key Performance Indicators (KPIs) are developed in line with the Corporate Strategy.
- Performance data is reported quarterly to the Executive.
- Data sharing protocols are in place where applicable.
- Shareholders Committee in place to oversee the activity of the trading companies.

Conclusion:

The Council was compliant with Principle F of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Arrangements in place:

- A range of information is published including an annual report of internal audit, the financial statements, the annual report of the external auditor and this annual governance statement, which contains an action plan demonstrating a commitment to continuous improvement.
- All reports are subject to a robust internal review process to ensure they are presented in an understandable style.
- The performance information set out in the financial statements is prepared in consideration of the presentational approach adopted by other similar authorities. • Performance data is reported to Cabinet and the Leadership Team, and is reviewed by the Scrutiny committee.
- In accordance with the Local Government Transparency Code there is an open data section on the Council's website which includes details of senior officer salaries.
- Details of delegated decisions taken by officers are published on the website.
- Independent scrutiny training has been provided to members, the Democratic Services team and the Leadership Team.
- Implementation of external audit recommendations is monitored by the Chief Finance and Performance Officer.
- Implementation of internal audit recommendations is monitored by the Interim Director, Resources, and reported to the Audit Committee.
- The Interim Director Resources and Head of Audit are provided with direct unfettered access to the Chief Executive, and Chair and Vice Chairs of the Audit Committee.
- The Council submits itself to external peer reviews including by the Local Government Association and has welcomed an equalities and diversity peer review and challenge.

- Regulation of Investigatory Powers Act (RIPA) policy in place.
- Invitations to tender are published along with the contracts register.
- The Council prepares and publishes an annual report setting out its achievements over the last year; this is reviewed and discussed by the Scrutiny Committee.
- Senior officers are members of and attend professional peer working groups. This helps to ensure continuous improvement and enables the Council to implement best practice

Conclusion:

The Council was compliant with Principle G of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

4. Update on Governance Issues from 2022/23

Set out below are the updates for the Governance issues from the 2022/23 Annual Governance report and the action taken in 2023/24:

<u>PRINCIPLE A</u>	
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
1. Review the corporate values in light of the partnership with Brentwood Council	The Council has determined and approved a set of values following work across the two organisations. These are in line with the new culture and the opportunity the partnership has and continues to create.
<u>PRINCIPLE D</u>	
Determining the interventions necessary to optimise the achievement of intended outcomes	
2. Review corporate priorities for 2023/24 Council	<p>The priorities for 2023/24 were reviewed and either signed off as complete, where amended or continued if they had not been completed as yet.</p> <p>The priorities were monitored to ensure they were delivering against their aspirations.</p> <p>The need for effective strategic planning and management of performance against this is identified as an area for further action in 2024/25.</p>
<u>PRINCIPLE E</u>	
Developing the entity's capacity, including the capability of its leadership and the individuals within it	

3. Complete the OneTeam recruitment to the top four tiers of management	Recruitment to the top four tiers of the organisation is now complete.
4. Take stock of the OneTeam transformation programme and set out the future direction	<p>Progress of the One Team Transformation Programme continued to be reviewed and reported quarterly throughout the year to members.</p> <p>Following regular reviews the authority, after Leader engagement, implemented an alternative approach to deliver the One Team ambitions. 'Transformation Plans' were rolled out across the organisation for services to complete and remains an area of ongoing focus.</p>
PRINCIPLE G Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
5. Recruit an Independent Person (IP) to sit on the Audit Committee to enhance accountability	A successful recruitment exercise was carried out and an appointment of the Independent Person was formally approved by Council. Following due diligence, the IP will begin their role in the 2024-25 municipal year.

5. Internal Audit Opinion of Rochford District Council's Governance Arrangements

CHIEF AUDIT EXECUTIVE OPINION

This audit opinion is based upon, and restricted to, the work that has been performed during the year, including assessments of the:

- design and operation of the underpinning assurance framework and supporting processes, including reliance on other assurance providers where appropriate.
- range of individual opinions arising from our risk-based audit assignments contained within the internal audit risk-based plan that has been reported throughout the year; and
- the relative materiality of the areas reviewed and management's progress in respect of addressing control weaknesses identified.

In terms of breadth of coverage, audit work has been performed across the Council's key services and in relation to its strategic risks where possible. The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.

The CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the council's arrangements. Based on the work performed during 2023/24 and other sources of assurance the CAE 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 2024, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.

6. Governance Areas of focus for 2024/25

The Council, Chief Executive and wider senior Offices are committed to ensure the high standards of governance are maintained and remain embedded across the authority. Governance will also remain an area for further development and the following actions are planned in 2024/25. In each case the issue and planned action links the CIPFA-SOLACE framework principle:

<p><u>PRINCIPLE D</u> Determining the interventions necessary to optimise the achievement of intended outcomes</p>
<p>Issues/actions identified and Director responsible:</p> <ol style="list-style-type: none"> 1. Review and ensure clarity of the organisation's strategic priorities through the production and approval of a Corporate Plan that is subject to regular review (<i>Director of Policy and Transformation</i>) 2. Develop and implement a new Asset Strategy and framework that demonstrates best practice for managing the Council's assets and supports delivery of the Council's corporate vision and priorities (<i>Director of Assets and Investment</i>) 3. Implement effective performance management arrangements and processes to enable the organisation to regularly consider and identify performance against the Corporate Plan including delivery of services, achievement of its strategic priorities, governance arrangements and organisational development (<i>Director of Policy and Transformation</i>)
<p><u>PRINCIPLE F</u> Managing risks and performance through robust internal control and strong public financial management</p>
<p>Issues Identified:</p> <ol style="list-style-type: none"> 4. Review and update Contract Procedure Rules to ensure they are fit for purpose and support/enable an effective organisation (<i>Director of Resources</i>) 5. Review and update Financial Regulations to ensure they are fit for purpose and support/enable an effective organisation (<i>Director of Resources</i>)
<p><u>PRINCIPLE G</u></p>

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Issue Identified:

6. Ensure effective operation of the new committee system of governance and sound understanding of the arrangements across all Elected Members and relevant officers (*Director of Governance*)

1. Certification

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 revised 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.

Each year the Council is legally required to conduct an annual review of the effectiveness of its systems of risk management and internal control, i.e., governance arrangements, through the publication of an Annual Governance Statement (AGS).

This AGS provides assurances on compliance with The Code for the year ending 31st of March 2023 but will include the position up to the date of sign-off of the Annual Accounts.

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.

**Councillor
Leader of the Council**

Chief Executive

Date:

Date: