

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

1. Scope of responsibility

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

2. The purpose of the governance framework

- 2.1. The governance framework comprises:
 - the systems, policies, processes, culture and values by which the Council is directed and controlled; and
 - the Council's activities through which it accounts to, engages with and leads the community.
- 2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to: identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage those risks efficiently, effectively and economically. The governance framework outlined in this document has been in place at Chelmsford Council for the year ended 31 March 2023.

3. The Governance Framework

- 3.1. The Council's Governance Framework is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance.
- 3.2. Key highlights from the Governance Framework in place at Chelmsford City Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| <p>Principle A</p> <p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</p> | <ul style="list-style-type: none"> ✓ Member and Officer Code of Conduct form part of the Council's Constitution. The Constitution Working Group in May 2022 recommended that the Council adopt the latest version of the Local Government Association's Model Code of Conduct for Councillors which was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022. The Monitoring Officer has undertaken six training sessions in relation to the model code of conduct. ✓ The Employee Code of Conduct has been reviewed in light of the changes to the Member Code of Conduct to establish whether changes are necessary to bring the Employee Code of Conduct into alignment. The area of gifts and hospitality was specifically considered. The employee code was already similar to the LGA Model code and no changes were considered necessary (as reported to Governance Committee in January 2023) ✓ The Council's Financial Rules form part of the Constitution and were reviewed in detail, supported by Corporate Governance Group, Constitution Working Group, Cabinet and were approved by Full Council in July 2022. Corresponding Practice Notes are due to be updated in 2023. ✓ Policies and procedures on Member and Officer declarations of interests and of gifts and hospitality are available, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee received an update from the Monitoring Officer in June 2022 relating to declaration of interests and gifts and hospitality. ✓ The Council's approach to counter-fraud was revised and refreshed in 2022, including the production of a new Counter Fraud Strategy, as approved by Audit and Risk Committee in December 2022. Actions required to deliver and implement the Strategy were set out in a corresponding action |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| | <p>plan, with an update provided to March 2023 Audit and Risk Committee regarding actions completed relating to Fraud Risk Register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training during 2023. The Council also participates in mandatory NFI exercises, of which the latest bi-annual main exercise was November 2022.</p> <p>✓ The whistleblowing policy is available to staff, key stakeholders and the general public via the Council's website. A review of the Whistleblowing Policy was undertaken by the Monitoring Officer and reported to Governance Committee in January 2023 which confirmed the current policy is compliant with legislation. An Annual Whistleblowing Report was provided to Governance Committee in October 2022.</p> <p>✓ Service-related complaints and complaints about a Councillor can also be reported online. Governance Committee continues to monitor complaints and investigations under the Standards regime and received the annual review of Complaints to the Local Government and Social Care Ombudsman in October 2022.</p> <p>✓ The Council's Modern Slavery and Human Trafficking Statement sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains. As reported to Audit and Risk Committee in September 2022, the Council's new Modern Slavery Co-ordinator now enables the Chelmsford Against Slavery Partnership (CASP) to be progressed and provides resources and expertise to take forward this important area of work, including a review of Property Services and Housing Services. The Council will continue to raise awareness of Modern Slavery practices within the Council's operations and supply chain. Going forward, progress relating to CASP Modern Slavery will be reported to the One Chelmsford Board and Overview and Scrutiny Committee.</p> <p>✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible. This is set out</p> |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| | <p>in the Council's Social Value Procurement Policy and Strategy 2020-25. An annual Procurement and Social Value update was provided to Audit & Risk Committee in December 2022.</p> <ul style="list-style-type: none"> ✓ The Articles of the Constitution, define the Monitoring Officer's role to ensure that all decisions comply with statutory requirements and are lawful. ✓ Ethical Governance training was undertaken in relation to the adoption of the Model Code of Conduct during late 2022. Decision-Making awareness for Councillors Training was undertaken during 2021. Further training in relation to both elements will be provided after May 2023 elections. |
| <p>Principle B Ensuring openness and comprehensive stakeholder engagement</p> | <ul style="list-style-type: none"> ✓ The Council has an FOI publication scheme on its website and also publishes certain information in line with the Local Government Transparency Code 2015. The Council also updates its FOI requests relating to Business Rates quarterly. ✓ The Council's Annual Statement of Accounts is published online. ✓ Comprehensive Council Tax information is available online ✓ Council, Cabinet and Committee meetings are open to the public and guidance on attending and speaking at public meetings is available online. ✓ A calendar of meetings ensures that timely reports are submitted to, published by and distributed by Legal and Democratic Services to ensure Members' information needs, and relevant statutory deadlines, are met. ✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are also issued in advance/made available online (as appropriate). ✓ Further detail on stakeholder engagement is available in the Council's Consultation and Engagement Strategy. ✓ The Monitoring Officer continues to provide guidance for Parish tier Councils on the standards regime. Parish tier councillors were invited to some of the model code of conduct update sessions which took place late 2022. |

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| <p>Principle C</p> <p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p> | <ul style="list-style-type: none"> ✓ The Council's Local Plan was adopted in May 2020. This sets out sustainable development objectives, policies and a Spatial Strategy to accommodate new development growth in the period to 2036. In accordance with national policy, a review of the plan is required at least every five years. To this end, an Issues and Options consultation ran for 10 weeks to October 2022 to review the amount and potential locations for new development of homes, jobs and infrastructure, and areas for protection, such as open space and sites for wildlife which will cover the period to 2041. A consultation feedback document was published in February 2023 following considered by Chelmsford Policy Board and a revision to the timetable to review the Local Plan was also agreed. A new Officer team was formed in July 2022 to deal with all planning matters related to Chelmsford Garden Community. ✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, a revised arrangement was adopted by Cabinet in June 2021. A further review will be carried out within the next 2 years, or earlier should Government legislation make that necessary. ✓ The Council's Community Funding Scheme is available to voluntary or community organisations who work for the benefit of Chelmsford residents. There are three different grant schemes: Discretionary Fund Grant; Neighbourhood Community Infrastructure Levy (CIL) Grant in unparished wards; and Greener Chelmsford Grant (which supports “green” community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan). Additional Council grants include Active Chelmsford (for projects or work aimed at engaging inactive residents of the Chelmsford district) and other CIL grants to external organisations that deliver the strategic infrastructure required to deliver the objectives of the Local Plan. ✓ Following Full Council approval at its meeting in March 2022, the Council proceeded to make a formal legal order in August 2022 to create two new Parish tier Councils – Chelmer Village Council and Chelmsford Garden Community Council with effect from 1st April 2023. The Council appointed representatives from the City Council and existing local parish councils to both shadow councils to assist with the initial set up of the new councils. Those shadow councillors became the first parish tier councillors from 1st April 2023 and will remain in place until the election process is completed in |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| | <p>early May 2023. A further formal legal order was made in February 2023 to deal with transfer of assets from existing parishes to the new councils. Full details are here.</p> <ul style="list-style-type: none"> ✓ Our Chelmsford, Our Plan is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate. ✓ The Council's strategic planning framework ensures that operational activities link to Our Chelmsford, Our Plan priorities. The Our Plan Action Plan breaks down strategic actions to measurable economic, social and environmental outcomes for monitoring through T1. T1 Action Plans are also in place for the Climate and Ecological Emergency and the Council's Health and Wellbeing Strategy. ✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. The Council has also adopted the IHRA definition of antisemitism. The Council's activities in this field are monitored by the Anti-Racism Working Group. ✓ In line with the Public Sector Equality Duty, the Council publishes equality information (including workforce and gender pay gap data) and has set equality objectives to continually improve services to ensure equal access for all customers, work effectively with under-represented communities, promote equality and diversity through working practices and recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community. |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| <p>Principle D</p> <p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> | <ul style="list-style-type: none"> ✓ Directors meet regularly with both their Cabinet Members and the Chief Executive to discuss progress in their respective areas of responsibility. ✓ The Medium-Term Financial Strategy (MTFS) 2022-27 details a sustainable funding strategy for the Council, taking account of Our Chelmsford, Our Plan objectives and informing annual budget setting. A detailed and comprehensive MTFS was presented to Cabinet and Council in July 2022, which reported the increase of financial uncertainty due to the long-term impact of Covid-19; potential economic recession and current inflation; and no clear funding arrangement from Government. The MTFS and the Council’s Budget are a means of meeting the expected challenge. ✓ Financial monitoring arrangements ensure that budget information is readily available to a variety of stakeholders to inform decision-making – including senior managers, Management Team and Cabinet Members, alongside formal reporting to Audit and Risk Committee at outturn, mid-year review to Cabinet and Overview and Scrutiny Committee and regular reporting to Cabinet members. ✓ The Council undertook a self-assessment against the seven standards in CIPFA’s Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2022, with further actions arising from the assessment outlined. These actions are being monitored by the Council’s S151 Officer. ✓ The Council’s Performance is monitored as follows: <ul style="list-style-type: none"> • A programme of deep-dive performance reviews is presented to Overview & Scrutiny Committee throughout the year, each review focussing on a specific area of Council activity. In 2022/23, these included: Rough Sleeping, Temporary Accommodation, SEPP, Cultural Services, Housing Delivery, Safer Chelmsford. • Overall progress in implementing Our Chelmsford, Our Plan Action Plan is reported in annually to Overview & Scrutiny Committee in November. Key priorities from the Plan have also been identified by portfolio holders for quarterly reporting to the Policy Leadership Team (PLT). |

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| | <ul style="list-style-type: none"> • The Climate and Ecological Emergency Action Plan progress is reported annually to Overview & Scrutiny Committee. • Health and Wellbeing Action Plan progress is reported quarterly to Livewell Chelmsford. • Operational PIs continue to be monitored locally. <p>✓ Chelmsford Policy Board (joint Members and Officer) Working Groups oversee implementation of the dedicated strategies and actions plans, recommending interventions to Cabinet as necessary. The Board receives updates from the Working Groups when there is significant progress to report.</p> <p>✓ Chelmsford Garden Village Delivery Board is in place to oversee specific elements of the development of proposals for Chelmsford Garden Community.</p> |
| <p>Principle E</p> <p>Developing the Council’s capacity, including the capability of its leadership and the individuals within it</p> | <p>✓ The Council’s Constitution is available on the Council’s website and subject to ongoing review, as overseen by the Constitution Working Group.</p> <p>✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events, Mental Health First Aiders, the Employee Assistance Programme, Wellness action plans and weekly Our News articles.</p> <p>✓ The Council participates in a number of partnerships, including Safer Chelmsford, South Essex Parking, and works closely with Essex County Council on a number of initiatives: Mid Essex Children's Partnership Board, Essex Safeguarding Adults Board, Mid Essex Alliance and Chelmsford Youth Strategy Group.</p> <p>✓ Recruitment of an Independent Person was undertaken because of ill health of one of the serving Independent Persons. This was advertised in accordance with the Localism Act 2011 and interviews of 6 applicants undertaken by Governance Committee in March 2023. Two candidates are being recommended for appointment at Annual Council in May 2023. The Governance Committee meeting in June 2023 will include a training session for the entire committee for the new term of office post elections. This will assist the new independent persons in their induction along with any new committee members that are appointed after the elections. One existing parish councillor</p> |

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| | <p>representative is being recommended for continued appointment at Annual Council. The remaining two parish representative vacancies will be dealt with after the elections.</p> <p>✓ The Monitoring Officer undertook six training sessions during 2022/23 in relation to the Member Model Code of Conduct. These initially included only City Councillors, but later sessions were extended to parish tier authorities. The slides and a recording of one of the sessions have been circulated to all city councillors and all councillors have been made aware of the changes. Further training will be provided after the 2023 Local Elections and the induction programme will include appropriate arrangements.</p> |
| <p>Principle F</p> <p>Managing risks and performance through robust internal control and strong financial management</p> | <p>✓ The Council's Risk Management Strategy recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council's Principal Risks, aligned to Our Chelmsford, Our Plan objectives, each assigned to a Directorate lead. Quarterly reporting to Management Team and six-monthly reporting to Audit & Risk Committee ensures arrangements are working effectively. The Council's Fraud Risk Register summary was also presented to Audit & Risk Committee in March 2023.</p> <p>✓ The Internal Audit Annual Report to Audit & Risk Committee confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy Council's governance, risk management and internal control arrangements.</p> <p>✓ The risk-based Internal Audit Plan is aligned to Our Council, Our Plan objectives, the Council's Principal Risks and Fraud Risk Register.</p> <p>✓ Following the independent Cyber Security "posture review" in 2020/21 which assessed the Council's maturity with regards to information and cybersecurity, the VCISO service was initiated in March 2022, to assist the Council aligning to the IASME Governance Gold Standard for information security. Updates from the VCISO were provided to Corporate Governance Group throughout 2022/23, including monitoring actions arising from the Council's self-assessment against Cyber Essentials best practice, conducted in November/December 2022. Work continues to produce the forward strategy for cyber resilience which will be made up of three main components: an executive briefing covering the key elements of the strategy, setting out a structured approach to realisation</p> |

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| | <p>and shared across the organisation; a more detailed document with more in-depth analysis held by Digital Services and available for access by interested parties; and a technological road map for the ongoing development of the Council's digital infrastructure against the strategy. The Council also procured a 3 year contract for incident response, should the authority be compromised we will have access to expert advice quickly who are aware of our setup and will run regular exercises with us.</p> <ul style="list-style-type: none"> ✓ The Chief Financial Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances. ✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2022, with further actions arising from the assessment outlined. These actions are being monitored by the Council's S151 Officer. ✓ The Council's approach to counter-fraud was revised and refreshed in 2022, including the production of a new Counter Fraud Strategy, as approved by Audit and Risk Committee in December 2022. Actions required to deliver and implement the Strategy were set out in a corresponding action plan, with an update provided to March 2023 Audit and Risk Committee regarding actions completed relating to Fraud Risk Register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training during 2023. The Council also participates in mandatory NFI exercises, of which the latest bi-annual main exercise was November 2022. ✓ Chelmsford City Council is committed to high standards of health and safety management within a sensible risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services. The Council uses external health and safety advisors to assist in managing the Council's high-risk services. The Council has a Health, Safety & Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| | <p>carrying out measures to ensure and improve the health, safety and welfare at work of all employees. Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required, and an Annual Health and Safety Report was provided to Audit & Risk Committee in September 2022.</p> <p>✓ Business rates expanded reliefs and emergency grants were provided by the Government to support businesses and organisations during the pandemic. In March 2022, BEIS confirmed that the Council's activities in relation to the first tranche of grants between April 2020 and September 2020 had provided adequate assurance. In December 2022, BEIS advised they would be starting to conduct their post-payment assurance activities in relation to the remaining COVID Business Support Grants.</p> <p>✓ The Audit & Risk Committee is constituted in line with, and operates with regard to, the CIPFA Position Statement on Audit Committees and associated Practical Guidance for Local Authorities (2018). An update to this guidance was produced in 2022 and a self-assessment will be undertaken in 2023 to ensure Committee compliance with new requirements.</p> <p>✓ The annual update to Members on RIPA arrangements was presented to Governance Committee October 2022, covering review of the Council's RIPA and RIPA Social Media Policies and training of key personnel.</p> <p>✓ An Information Governance Update was presented to Governance Committee in October 2022 to provide an annual update on the Council's approach to the assurance and management of information. Achievements and further developments included: 90% statutory requests (Freedom of Information, Environmental Information Regulation and Data Protection Act Subject Access requests) were answered within timescale, data breach summary, training and awareness, cyber security review, policies, consents, privacy notices, risk management, phishing, contracts, DPIA's.</p> |

| Good Governance Principle | Chelmsford Council Key Elements 2022/23 |
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| <p>Principle G Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</p> | <ul style="list-style-type: none"> ✓ As detailed above, a vast array of information is accessible to the general public via the Council's website in an understandable style appropriate to the intended audience. ✓ The Council's Corporate Governance Group continued to meet regularly during 2022/23 and included reviewing and updating the Annual Governance Statement, reviewing progress against the AGS action plan, collaborating and sharing governance updates and best governance practice from across the Council. ✓ The Annual Governance Statement is presented to the Leader and Chief Executive, approved by Joint Audit & Risk and Governance Committee and published alongside the Statement of Accounts. ✓ Governance Committee, Audit & Risk Committee, and Overview & Scrutiny Committee report annually on their work to full Council. ✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council. |

Review of effectiveness

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

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

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

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

3.5. The outcome of the review is presented in 3.10 below, which detail areas for improvement during 2023/24.

3.6. Effectiveness of Other Organisations

- The Council acts as lead partner in the South Essex Parking Partnership (SEPP which carries out the on-street parking enforcement in Chelmsford, Basildon, Brentwood, Castle Point, Maldon and Rochford, on behalf of Essex County Council (ECC), the highways authority, through delegated responsibilities under a Joint Agreement first introduced in 2011 with a new agreement for a further term signed by all partner authorities in 2022. Signs and lines maintenance and new TRO's (Traffic Regulation Orders) are also provided by the Partnership. The Partnership has operated successfully, in accordance with the Traffic Management Act 2004 (TMA 2004), including timely production of an Annual Report and agreed Business Plan, and generation of a surplus during each year of operation.
- The One Chelmsford Board acts as Chelmsford's Responsible Authorities Group under the Crime and Disorder Act 1998, which is a statutory function. There are a number of other statutory partners: Chelmsford City Council, Essex Police, ECC, Essex County Fire and Rescue Services, Probation Services and Health (CCG). The current chair is Chelmsford Council's Chief Executive and our member representative is the Leader of Chelmsford Council. The group has a terms of reference and presents a finance report annually.
- The Council does not currently engage in commercial activities through trading subsidiaries or investment vehicles.

3.7. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The annual opinion given for 2021/22 was Moderate Assurance.

The work undertaken during 2022/23 has enabled the Audit Services Manager to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. For the year-ended 31st March 2023, the opinion is that the adequacy and effectiveness of the Council's arrangements is *Moderate Assurance* – overall the Council's systems for control, risk and governance are generally adequate with some improvement required. Revision to assurance ratings and residual risks will be closely monitored through follow-ups in 2023/24. Further detail on audit outputs is provided in the Internal Audit Annual Report.

3.8. External Audit and Inspectorates

In the last 20 years the Council has published its accounts in-line with statutory deadlines and had no qualifications made by its external auditor. However, the effectiveness of the external audit process has been weakened by a nationwide crisis in external audit provision. Across England only 1 in six audits have been completed on time. For the City Council like many Councils that means audits have taken over a year from the balance sheet date to be completed. External audit provides an essential independent challenge of a Council's finances, however that challenge can only be truly effective when done in a timely manner. The issue is being addressed nationally but it is unclear when the situation will improve.

3.9. Review of Actions from 2021/22 Annual Governance Statement

| Ref | 2021/22 AGS | Action taken in 2022/23 to address the issue |
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| GOV22_1 | Financial Rules - Updated financial rules will be reviewed and approved by Council and associated operational Practice Notes updated and implemented accordingly. | Complete. A review of the Council's Financial Rules was undertaken in 2022/23 and were approved at Full Council July 2022. Supplementary Practice Notes are now in draft and due to be reviewed Spring 2023. |
| GOV22_2 | Cyber Security - Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated | Ongoing. The VCISO service was initiated in March 2022 to assist the Council achieving accreditation to the IASME Governance Gold Standard for information security. Updates from the VCISO were provided to Corporate Governance Group throughout 2022/23, including monitoring actions arising from the Council's self- |

| Ref | 2021/22 AGS | Action taken in 2022/23 to address the issue |
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| | Cyber Security strategy and review all policies. Procure a retainer for Cyber Security incident response team. | assessment against Cyber Essentials best practice, conducted in November/December 2022. Work continues to produce the forward strategy for cyber resilience which will be made up of three main components: an executive briefing covering the key elements of the strategy, setting out a structured approach to realisation and shared across the organisation; a more detailed document with more in-depth analysis held by Digital Services and available for access by interested parties; and a technological road map for the ongoing development of the Council's digital infrastructure against the strategy. |
| GOV22_3 | Financial Management Code Action Plan - A self-assessment against CIPFA's Financial Management Code will be completed and action plan produced to meet any shortfalls. | Complete. The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2022 , with further actions arising from the assessment outlined. These actions are being monitored by the Council's S151 Officer. |
| GOV22_4 | Member Code of Conduct | Complete. The Constitution Working Group in May 2022 recommended that the Council adopt the latest version of the Local Government Association's Model Code of Conduct for Councillors which was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022. The Monitoring Officer has undertaken 6 training sessions in relation to the model code of conduct. |
| GOV22_5 | Community Governance Review | Complete (to April 2023). Following Full Council approval at its meeting in March 2022, the Council proceeded to establish a formal legal order in February 2023 to create two new Parish tier Councils – Chelmer Village Council and Chelmsford Garden Community Council with effect from 1st April 2023. The Council has appointed representatives from the City Council and existing local parish councils to both shadow councils and will remain in place until after the first election cycle is complete. Full details are here . |

3.10. Areas for improvement or monitoring during 2023/24:

| Ref | Area | Action to be taken in 2023/24 | Responsible Officer |
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| GOV23_1 | Counter Fraud | Monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered | Audit Services Manager |
| GOV23_2 | Cyber Security | Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated Cyber Security strategy and review all policies. | Digital Services Manager |
| GOV23_3 | Records Management | To review current records management processes and develop action plans for the implementation of any changes that need to be made, including consideration of prioritisation, resources and timescales for implementation within services. | Relevant Information Asset Owners |
| GOV23_4 | Constitution/Policy Alignment | To complete the review of any parts of the constitution that have not been reviewed within the last 4 years. This will include any practice or procedure notes. | Legal & Democratic Services Manager |

4. Certification

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

Signed.....

Leader of the Council

Date:

Signed.....

Chief Executive