

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

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 2024.

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 2023/24
<p>Principle A 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 latest version of the Local Government Association's Model Code of Conduct for Councillors was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022. ✓ All 57 serving city councillors have attended code of conduct training. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023. ✓ The Employee Code of Conduct was reviewed in light of the changes to the Member Code of Conduct to establish whether changes are necessary to bring the Employee Code of Conduct into alignment. The 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). ✓ Following approval by Full Council in July 2022 of the reviewed and refreshed Council's Financial Rules which form part of the Constitution, corresponding Practice Notes were updated in 2023. A review of the rules and practice notes is planned for 2025. ✓ Policies and procedures on Member and Officer declarations of interests and of gifts and hospitality are available, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee received an update from the Monitoring Officer in March 2024 relating to declaration of interests and gifts and hospitality. ✓ The Council's approach to counter-fraud was revised and refreshed in 2022, with responsibility moving to the Audit Services Manager, including the production of a new Counter Fraud Strategy to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy are set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training.</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 2023 which noted that there were no concerns to report.</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 2023.</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. The Chelmsford Against Slavery Partnership (CASP) continues to work closely in partnership with law enforcement, charities and the voluntary sector in order to pledge to make Chelmsford a slavery free city. The Council will continue to raise awareness of, and disrupt, Modern Day Slavery practices within the Council's area, operations and supply chain. The CASP Steering Group provides updates to the One Chelmsford Board and Overview and Scrutiny Committee on its progress.</p> <p>✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible. This is set out in the Council's Social Value Procurement Policy and Strategy</p>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<p>2020-25. An annual Procurement and Social Value update was provided to Audit & Risk Committee in December 2023.</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 was provided during the member induction process 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. A review of the Council’s compliance with the Transparency Code is being undertaken during 2024. 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. Two training sessions for parish-tier councillors were also facilitated in December 2023 with the second session being recorded for those who were not able to attend.

Good Governance Principle	Chelmsford Council Key Elements 2023/24
<p>Principle C 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 consideration by Chelmsford Policy Board and a revision to the timetable to review the Local Plan was also agreed. Taking into account the consultation feedback, a Preferred Options Local Plan was agreed by Chelmsford Policy Board in March 2024 to be published for further public consultation in Spring 2024. A new Officer team was formed in July 2022 to deal with all planning matters relating to Chelmsford Garden Community. ✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, from time to time the Council reviews and updates its Allocating and Spending CIL framework and publishes the document online. During 2023/2024 revised arrangements for spending CIL in the nine unparished wards and within the Garden Community were agreed at Cabinet. Spending arrangements will be kept under review, taking into account any changes to Government legislation. ✓ The Council's Community Funding Scheme is available to voluntary or community organisations who work for the benefit of Chelmsford residents. There are three different grant schemes: Discretionary Fund Grant; 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. During 2023/2024 Rural England Prosperity Fund grants were made available to business and community organisations in the rural area. ✓ 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

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	<p>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 remained in place until the election process was completed in 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. Both new Councils are now fully operational in the same way as other parish tier councils. Full details are here.</p> <ul style="list-style-type: none"> ✓ Our Chelmsford, Our Plan was updated in February 2024 and is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate. ✓ The 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. ✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. The Council has also adopted the IHRA definition of antisemitism. The Council's activities in this field are monitored by the Anti-Racism Working Group which meets from time to time. ✓ In line with the Public Sector Equality Duty, the Council publishes equality information (including workforce and gender pay gap data) and has set equality objectives to continually improve services to ensure equal access for all customers, work effectively with under-represented communities, promote equality and diversity through working practices and recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community.

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<p>Principle D 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. Informal Cabinet sessions are also held regularly and the Chief Executive hosts regular all-Member Briefings. ✓ The Financial Forecast details the financial challenges for 2023/24 and the approach to deal with them. The financial planning takes account of Our Chelmsford, Our Plan objectives which informs the annual budget setting. The budget report to February 2023 Council updates the forecast deficits for five-year period for revenue and capital and identifies how the reserves and deficits will be managed. ✓ Financial monitoring arrangements ensure that budget information is readily available to a variety of stakeholders to inform decision-making – including senior managers, Management Team and Cabinet Members, alongside formal reporting to Audit and Risk Committee at outturn, mid-year review to Cabinet and regular reporting to Cabinet members. ✓ The Council undertook a self-assessment against the seven standards in CIPFA’s Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023,. The actions are being monitored by the Council’s S151 Officer. ✓ The Council’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 2023/24, these included: Cultural Strategy, Housing Delivery, Hylands Park Public Spaces Protection Order, Safer Chelmsford and preparation for the Theatre Refurbishment Task and Finish Group. • Overall progress in implementing Our Chelmsford, Our Plan Action Plan has previously been reported annually to Overview & Scrutiny Committee in November and key priorities from the Plan were identified by portfolio holders for quarterly reporting to the Policy Leadership Team (PLT). The new Our Chelmsford Our Plan was being developed during 2023/24 and progress reporting will be reinstated for 2024. • The Climate and Ecological Emergency Action Plan progress is reported annually to Overview & Scrutiny Committee.

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	<ul style="list-style-type: none"> • 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 Community Delivery Board is in place to oversee specific elements of the development of proposals for Chelmsford Garden Community.</p> <p>✓ A Community Liaison Group is in place for Chelmsford Garden Community which allows local community groups and residents to be updated on progress of the development and provide their feedback on new projects and proposals.</p>
<p>Principle E 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>✓ Following recruitment of two further Independent Persons for Governance Committee as recommended for appointment at Annual Council in May 2023, the Governance Committee meeting in June 2023 included a training session for the entire committee for the new term of office post elections.</p> <p>✓ Two independent persons were appointed to Audit and Risk Committee during 2023/24 in line with recommendations made by the CIPFA Position Statement on Audit Committees.</p>

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	<ul style="list-style-type: none"> ✓ All 57 serving city councillors have attended code of conduct training. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023. ✓ In December 2023, we rolled out an e-learning module “Inclusion, Equality & Diversity” to staff with PC access. Created by TED Learning, the module provides staff with an understanding of the Equality Act, how it affects them as an employee and the business as an employer. To date (April 2024), 575 people have completed the e-learning and 69 people are due to complete this. We also delivered two half day classroom-based sessions in March 2024 which 57 people attended. Further sessions will be organised for those staff without PC access and this is currently being discussed with the relevant Service Managers/Directors. New starters with PC access are invited to complete the e-learning module within 2 months of joining. In addition to this staff can access further training on Equality at Work via the intranet and e-learning modules offered via Peninsula our H&S consultants. ✓ Carbon Literacy Training is being rolled out across the organisation during 2024 to make staff aware of the carbon dioxide costs and impacts of everyday activities, and the ability and motivation to reduce emissions, on an individual, community and organisational basis by explaining the science around climate change and how its affect globally and locally and developing the tools and knowledge to reduce the carbon impact on the Council. ✓ Document Fraud Training was provided to key officers in September 2023. Wider anti-fraud and Corruption Training will be rolled out across the Council during 2024.
<p>Principle F Managing risks and performance through robust internal control and strong financial management</p>	<ul style="list-style-type: none"> ✓ 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. A full refresh was undertaken during 2023/24 and reported to Management Team and Audit & Risk Committee in March 2024. ✓ 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.

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<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>✓ Updates from the Council's VCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2023/24, including progress against suggested areas for developing organisational awareness, policy and process, preventative measures and staff development. A workshop based on the NCSC board toolkit, involving key stakeholders such as the Chief Executive, Management Team and Heads of Service was held in February 2024.</p> <p>✓ The Council's S151 Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances.</p> <p>✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023,. The actions are being monitored by the Council's S151 Officer.</p> <p>✓ The Council's approach to counter-fraud was revised and refreshed in 2022, with responsibility moving to the Audit Services Manager, including the production of a new Counter Fraud Strategy to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy are set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises.</p> <p>✓ Other processes which assist Internal Audit in detecting potential fraudulent activity include:</p> <ul style="list-style-type: none"> • One of the criteria assessed when producing the risk-based annual audit plan is the risk of fraud as per the Council's Fraud Risk Register. In addition, all individual reviews are

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	<p>aligned to the Council's Fraud Risk Register to independently assess anti-fraud controls in place.</p> <ul style="list-style-type: none"> • Data Analytics have been used in 2023/24 to detect any anomalies with Accounts Payable with a specific focus on anti-fraud tests. • Reviews of Council processes/walk throughs etc should highlight any gaps in control and areas that are vulnerable to fraudulent activity. • Additionally, where concerns of fraud have been highlighted, investigations are carried out and review of the control framework is undertaken to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls. <p>✓ The Counter Fraud Annual Report will be presented to Audit and Risk Committee in September 2024.</p> <p>✓ Chelmsford City Council is committed to high standards of health and safety management within a risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services. The Council uses external health and safety advisors to assist in managing the Council's high-risk services. The Council has a Health, Safety & Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and carrying out measures to ensure and improve the health, safety and welfare at work of all employees. Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required, and an Annual Health and Safety Report was provided to Audit & Risk Committee in September 2023.</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 February 2024, BEIS confirmed they had successfully completed all their post-payment assurance activities in relation to the remaining COVID Business Support Grants.</p>

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> ✓ In June 2023, the Audit & Risk Committee were advised of the recently published CIPFA Position Statement for Audit Committees 2022. New additions to the Committee’s terms of reference were made as a result and other actions taken to ensure the Committee is operating in line with the updated guidance. These included: recruitment of co-opted Independent Members (completed Autumn 2023) and; completion of a Committee training needs assessment (Autumn 2023). A full self-assessment will be undertaken in 2024 to identify any further areas of improvement. ✓ The annual update to Members on RIPA arrangements was presented to Governance Committee October 2023, covering review of the Council’s RIPA Policies and training of key personnel. ✓ An Information Governance Update was presented to Governance Committee in October 2023 to provide an annual update on the Council’s approach to the assurance and management of information. The update covered the following areas: Statutory Requests, Data Breaches, Phishing Exercises, Training and Awareness, Cyber Security Review, Policies, Consents, Privacy Notices, Risk Management, Contracts and Data Protection Impact Assessments. A further update in relation to ongoing activity in these areas will also be presented to Governance Committee in Autumn 2024.
<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 2023/24 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.

Good Governance Principle	Chelmsford Council Key Elements 2023/24
	<ul style="list-style-type: none"> ✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council. ✓ Potential issues in internal controls for strategic decision making were identified for review in March 2024. Internal audit will be undertaking an audit during 2024 and any recommendations will inform any future improvements to internal control arrangements as necessary.

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 2024/25.

3.6. Effectiveness of Other Organisations

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

3.7. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The work undertaken during 2023/24 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 2024, the opinion is that the adequacy and effectiveness of the Council's arrangements is *Moderate Assurance* – overall the Council's systems for control, risk and governance are generally adequate with some improvement required. Internal Audit reached this conclusion because medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or processes, and none of the individual assignment reports have an overall classification of critical risk and/or no assurance. The annual opinion given for 2022/23 was Moderate Assurance.

Following the discovery of the loss and recovery of two Victoria Cross medals from the Museum's Regiment Collection, Internal Audit carried out a review of Museum processes and internal controls. High priority findings were identified relating to record keeping and cataloguing. A full and detailed action plan has been produced by the Museum to assist with the implementation of recommendations made. Progress will be monitored by Internal Audit through 2024/25.

Any residual risks arising from all 2023/24 audit reviews will be closely monitored through the Internal Audit follow-up process in 2024/25. Further detail on audit outputs is provided in the Internal Audit Annual Report.

3.8. External Audit and Inspectorates

In the last 20 years the Council has published its accounts in-line with statutory deadlines with one exception in 2022/23 where the accounts were two weeks late. The delay being a result of having to restate pension accounts due to the failure of the external auditor to complete the previous year's external audit in a timely manner. There have been no qualifications made by its external auditor in over 20 years. The effectiveness of the external audit process has been weakened by a nationwide crisis in external audit provision. Across England only 1 in six audits have been completed on time. For the City Council like many Councils that means audits have failed to take place in over 2 years from the balance sheet date. External audit provides an essential independent challenge of a Council finances, however that challenge can only be truly effective when done in a timely manner. The issues are being addressed nationally and the intention is clear the backlog by 2028.

3.9. Review of Actions from 2022/23 Annual Governance Statement

Ref	2022/23 AGS	Action taken in 2023/24 to address the issue
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	Ongoing. Actions required to deliver and implement the Strategy are monitored through the Counter Fraud Strategy Action Plan.
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.	Ongoing. Updates from the Council's VCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2023/24, including progress against suggested areas for developing organisational awareness, policy and process, preventative measures and staff development. A workshop based on the NCSC board toolkit, involving key stakeholders such as the Chief Executive, Management Team and Heads of Service was held in February 2024.
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.	Some service-based activity has been undertaken including the role out of a legal case management system in May 2023 together with ongoing review of the team's paper-based records. New online systems for information requests and complaints records have also been developed. Further scoping of next steps will be undertaken.

Ref	2022/23 AGS	Action taken in 2023/24 to address the issue
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.	Complete.

3.10. Areas for improvement or monitoring during 2024/25:

Ref	Area	Action to be taken in 2024/25	Responsible Officer
GOV24_1	Counter Fraud	Continue to monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered	Audit Services Manager
GOV24_2	Cyber Security	Continue to progress our cyber security recommendations that come from the vCISO service. Align to best practice and frameworks as relevant. Deliver updated Cyber Security strategy and review all policies.	Digital Services Manager
GOV24_3	Records Management	Scoping of next steps in relation to records management processes to develop action plans for the implementation of any changes that need to be made, including consideration of prioritisation, resources and timescales for implementation within services and any corporate wide actions that may be taken.	Scoping by Legal and Democratic Services Manager. Service based activity by relevant Information Asset Owners
GOV24_4	Strategic Decision Making	To undertake an audit with a view to identifying and making recommendations as to any improvement in internal controls. Any recommendations to be actioned by the relevant person identified in the audit.	Audit Services Manager
GOV24_5	New Complaint Handling Code issued by Local Government Ombudsman	To consider the timing and arrangements for the adoption of the new Code issued by the LGSCO in February 2024.	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: Nick Eveleigh

Date: