

# Annual Governance Statement 2021/22

## 1. Scope of responsibility

- 1.1. East Cambridgeshire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. East Cambridgeshire District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, East Cambridgeshire District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3. East Cambridgeshire District Council has approved and adopted a Local Code of Corporate Governance which is consistent with the principles of the CIPFA/ SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Code is included on our website at <https://www.eastcambbs.gov.uk/>.
- 1.4. This statement explains how East Cambridgeshire District Council has complied with the principles of the Code and also meets the requirements of regulation 4 (3) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement. In this assessment, the Council seeks to be open, honest and favours disclosure.

## 2. The purpose of the governance framework

- 2.1. The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, and its activities through which it accounts to, engages with, and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2. 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 ongoing process designed to identify and prioritise the risks to the achievement of East Cambridgeshire District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3. The governance framework has been in place at East Cambridgeshire District Council for the year ended 31 March 2022 and up to the date of the approval of this statement.

### **3. The governance framework**

The Council's Code of Governance recognises that effective governance is achieved through the following core 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 the intended outcomes
- Developing the entity'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
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

### **4. Key elements of the Governance Framework**

The following is a brief description of the key elements of the systems and processes that comprise the Council's governance arrangements, including any developments in 2021/22 and areas of focus for 2022/23:

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
Maintaining codes of conduct which define standards of behaviour for elected Members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively.	<ul style="list-style-type: none"> <li>The Constitution contains a Members Code of Conduct, which is underpinned by the Principles of Public Life. Members are required to complete a declaration of interests which is published on the website for transparency.</li> <li>There is a separate Employee Code of Conduct, which is supported by HR policies and procedures. Codes, policies and procedures are shared with new employees as part of the induction process.</li> <li>The Council has a Whistleblowing Policy, which is available to employees.</li> </ul>	<ul style="list-style-type: none"> <li>During 2021/22, there were ten Code of Conduct complaints against Councillors which were subject to investigation and conclusion.</li> </ul>
Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.	<ul style="list-style-type: none"> <li>Corporate policies and strategies, which are regularly reviewed, are available on the Council website.</li> <li>The Constitution contains responsibilities for functions of the Council, Policy Committees, Regulatory Committees and other Committees, Joint Committees and Other Partnership Bodies. It also contains Proper Officer Functions and Rules of Procedure. The Monitoring Officer advises whether decisions are in accordance with the Constitution, and a summary list of responsibilities are included in a Monitoring Officer Protocol.</li> <li>The Council ensures compliance with established policies, procedures, laws and regulations through a number of channels. The Chief Executive is responsible and accountable to the Council for all aspects of operational management. The Finance Manager &amp; S151 Officer is responsible for ensuring that appropriate advice is given on financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control. The Legal Services Manager is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</li> <li>Managers within the Council are responsible for putting in place systems of control to ensure compliance with policies, procedures, laws and regulations. This is a key</li> </ul>	<ul style="list-style-type: none"> <li>In 2021, a full review of the Council's Contract Register was conducted, led by Legal Services and Finance, to ensure all contracts were suitably captured.</li> <li>At least every three years, the Licensing Authority is required to consult and publish a Statement of Principles relating to the carrying out of its functions under the Gambling Act 2005. In accordance with the Gambling Act 2005 and Gambling Commission Guidance to Local Authorities, the Council reviewed its Statement of Principles relating to the</li> </ul>

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
	<p>control and as such Service Leads are asked to provide annual assurance that they have promoted relevant policies and made sure that all staff are aware of relevant requirements and exercise due controls. Statements have been received from Service Leads in relation to 2021/22 and assurances have been provided that policies and procedures have been suitably promoted across the service and staff are aware of key policies, procedures and expected standards (including the receipt of gifts and hospitality, contract procedure rules and the Code of Conduct).</p> <ul style="list-style-type: none"> <li>• Service Leads have provided assurance that they have maintained an up to date awareness of the latest legal requirements affecting their service and have noted where potential changes in legislation may require action in 2022/23.</li> <li>• The Monitoring Officer issues reminders on the recording of gifts and hospitality via email to all staff, twice yearly.</li> <li>• The Information Officer organises GDPR/Data Protection/Freedom of Information training for all staff on a yearly basis, including providing training at induction and when new changes take place, to ensure staff are kept up to date and are aware of their responsibilities.</li> </ul>	<p>Gambling Act 2005 this year. The revised statement was adopted by Full Council following a period of consultation, and published in accordance with the Gambling Act 2005 in October 2021.</p> <ul style="list-style-type: none"> <li>• The Agency and Other Off-Payroll Working guidance was updated from April 2021 to reflect the changes in legislation, and an email was sent to all Service Leads to explain the reforms to the rules and what it means for them.</li> <li>• After consultation with Unison, the new Remote Working Policy went live from 1st July 2021.</li> </ul>
<p><b>Focus and further development for 2022/23</b></p> <ul style="list-style-type: none"> <li>• Training on Procurement Rules will be mandatory for all service leads at least once every three years from 2022/23 onwards.</li> <li>• Policies on Whistleblowing, Flexible Retirement and Redundancy to be subject to review and alignment with latest best practice/legislation.</li> <li>• To implement action arising from Internal Audit coverage relating to a consistent approval mechanism for invoices over £50,000.</li> <li>• The implications for implementation of the Elections Act 2022 are expected to be defined in secondary legislation in 2022/23.</li> <li>• The new Building Safety Bill may introduce new or amended Health and Safety rules and procedures for Building Control, this will be kept under review.</li> </ul>		

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
Documenting a commitment to openness and acting in the public interest	<ul style="list-style-type: none"> <li>• There is public access to all Committee meetings except where items for discussion are of a confidential nature. The Council continues to be committed to ensuring that members of the public are involved in the decision making process.</li> <li>• There are specific schemes in place to allow members of the public to speak at both Planning and Licensing Committee meetings, and the Council has also issued general guidance on public question time at other meetings, including Full Council.</li> <li>• In order to demonstrate its openness, the Council also publishes on the website the Constitution, Council and Committee agendas, reports, minutes and decision lists.</li> <li>• The Council publishes on its website the recommended datasets in accordance with the Local Government Transparency Code 2015 issued by the Department for Communities and Local Government in February 2015.</li> <li>• The Equality, Diversity and Inclusion Policy sets out the Council's commitment to an inclusive and supportive environment for staff, Members, contractors and visitors that is free from discrimination.</li> <li>• To demonstrate its compliance with the Public Sector Equality Duty, the Council produced and published an Equality, Diversity and Inclusion Monitoring Report which presents an analysis of the following areas: <ul style="list-style-type: none"> <li>▪ Equality objectives;</li> <li>▪ Service delivery;</li> <li>▪ Equality impact assessments;</li> <li>▪ Complaints and satisfaction;</li> <li>▪ Access to information;</li> <li>▪ Equality in employment;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The HR Manager researched, procured and introduced a new e-learning training course for all staff and Members entitled 'Equality and Diversity Essentials'.</li> <li>• The Council's gender pay gap was reported to Finance and Assets Committee in October 2021.</li> </ul>

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
	<ul style="list-style-type: none"> <li>▪ Gender Pay Gap;</li> <li>▪ Progress against the Equality Action Plan;</li> <li>▪ The Council’s commitments for 2021-2024.</li> </ul> <p>This has been published on the Council’s website.</p> <ul style="list-style-type: none"> <li>• Equality Impact Assessments (EIAs) and Comprehensive Impact Assessments (CIAs) inform policy development and decision making. These are published on the Council’s website.</li> </ul>	
Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation	<ul style="list-style-type: none"> <li>• Residents are regularly informed about the Council’s activities through the Council website, work with the local media, social media and other channels.</li> <li>• The Council has adopted a Constitution which sets out how the Council operates, how decisions are taken and the procedures which should be followed. All meetings are open to the public except where there are confidential matters to discuss.</li> <li>• The Council has developed a Community Engagement Strategy covering the period 2018 to 2023 to ensure that all residents have the opportunity to engage with the Council and have their say regarding the services and resources that they need.</li> <li>• The Council undertakes regular consultation exercises, ranging from small focus groups of customers to large scale questionnaires and face-to-face surveys. A Register of Consultees is held which gives individuals, community groups and associations the opportunity to consider new or revised policies, strategies or functions and to express their opinions, concerns and make suggestions. To encourage as wide a participation as possible, an invitation for further individuals to join the register is included in the Consultation section of the Council’s website.</li> <li>• The Statement of Community Involvement (SCI) sets out how the Council involves and consults with the public and wider stakeholders when planning for future local development across the District. This is published on the Council’s website and</li> </ul>	<p>Consultation during 2021/22 has included the following:</p> <ul style="list-style-type: none"> <li>• the Statement of Principles relating to the Gambling Act 2005;</li> <li>• Bus Services;</li> <li>• Cycling and Walking Routes; and</li> <li>• Single Issue Review (of 2015 Local Plan).</li> </ul>

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
	<p>covers consultation arrangements in respect of planning applications and planning policy matters, including the preparation of the Local Plan.</p> <ul style="list-style-type: none"> <li>• Regular media releases are used as a means of keeping residents of the District informed of current and upcoming issues and Council decisions. The Council endeavours to ensure that all communications with the public are accessible to all by providing a translation service, large print and braille.</li> <li>• Equity of participation and wider social outcomes (e.g. in health) are fundamental principles of the Council's leisure service provision and is reflected in service specifications and the physical activity generation programme. The Healthy You Programme is based on community engagement and specific user feedback forms part of the evaluation process.</li> <li>• Further examples of community engagement include Landlord Forums, Agents Forums, Taxi Driver Forums and the East Cambs Business Boost.</li> </ul>	
<p><b>Focus and further development for 2022/23</b></p> <ul style="list-style-type: none"> <li>• Implementation of live web-streaming of Council and Committee meetings.</li> <li>• Providing support to managers and staff to deliver the actions set out in the Council's Equality, Diversity and Inclusion Policy.</li> <li>• The Communications team will be reviewing the Community Engagement Strategy and the Press and PR Protocol.</li> </ul>		

<b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
<p>Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning</p>	<ul style="list-style-type: none"> <li>• The Council has approved two Corporate Objectives;- To be financially self-sufficient and provide services driven by and built around the needs of our customers; and, To enable and deliver commercial and economic growth to ensure that East Cambridgeshire continues to be a place where people want to live, work, invest and visit.</li> <li>• A new Corporate Plan for the period 2020-2023 was approved by Council in July 2020, this was up-dated in July 2021 creating a Corporate Plan 2021-2023. It contains five themes which set out the main areas where the Council will concentrate work over the period: <ul style="list-style-type: none"> <li>○ Sound financial management</li> <li>○ Improving transport</li> <li>○ Housing</li> <li>○ Cleaner, greener East Cambridgeshire</li> <li>○ Social and community infrastructure</li> </ul> <p>Within each of these themes the Council has set out the priorities for the next two years. Details of all the above, together with any committee reports referred to in this statement, can be found on the Council's website.</p> </li> <li>• The Medium Term Financial Strategy (MTFS) is presented to Council on an annual basis to support the budget papers and the Corporate Plan. The MTFS sets out the level of savings that need to be achieved over the medium term. Savings plans and income generation targets are developed to achieve the budget requirement set out in the MTFS.</li> <li>• The Environment &amp; Climate Change Strategy and Action Plan sets out the Council's vision, which is that by 2050 the Council's operations will</li> </ul>	<ul style="list-style-type: none"> <li>• A refreshed Environment &amp; Climate Change Strategy and Action Plan was approved and adopted in June 2021. This included an updated report on carbon dioxide emissions, a new section establishing a series of interim targets towards reducing emissions to net zero, and a review of the top 20 actions committed to in June 2020, together with a new set of top actions for the year to June 2022.</li> </ul>



<b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
	reach net zero carbon emissions, and steps that will be taken to support our communities and East Cambridgeshire's biodiversity and environmental assets so they can adapt and flourish as the climate changes.	
Translating the vision into courses of action for the authority, its partnerships and collaborations	<ul style="list-style-type: none"> <li>• In normal circumstances, the Corporate Plan is underpinned by Service Delivery Plans, which set out in more detail how the Council's priorities will be delivered. These Plans contain more specific targets, which are allocated to teams, contractors, partners and employees to deliver. During 2021/22 performance reporting against Service Delivery Plans did not take place but has been reinstated for 2022/23. In the meantime, internal monitoring against targets, statutory requirements and objectives has been conducted by Service Leads.</li> <li>• Service Delivery Plans are reviewed every year in line with any changes to the Corporate Priorities and in accordance with the development of the budget to ensure the necessary resources are in place for their delivery.</li> <li>• Staff appraisals and performance reviews are linked to corporate and service level plans.</li> <li>• Where commissioned services are delivered jointly with partners this is reflected in service delivery plans and performance against both service delivery targets and budgets are monitored.</li> <li>• There are service contracts in place between the Council and its Trading Companies. In addition, the Council, through the respective Shareholder Committee, approves each Trading Company business plan. There is a shareholder agreement in place between the respective companies and the Council.</li> </ul>	<ul style="list-style-type: none"> <li>• The ECTC Business Plan due to report by 1 April 2022 was not approved by the respective Shareholder Committee until June 2022 to enable the Council to consider request for loan finance prior to finalisation of business plan.</li> </ul>

<b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
<b>Focus and further development for 2022/23</b>		
<ul style="list-style-type: none"> <li>• Service Delivery Plan reporting has been re-instated from April 2022, with Plans for 2022/23 being approved by the respective Policy Committees in March 2022.</li> <li>• Subject to agreement of the Audit Committee (ref 30 January 2023 Agenda Item 6) the Chief Executive will ensure (where appropriate and relevant) Service Delivery Plans will include financial performance indicators.</li> </ul>		

<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
<p>Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality</p>	<ul style="list-style-type: none"> <li>• The Council's decision making framework is set out in the Council's Constitution including an effective scheme of delegation. The Council's Constitution is kept under continuous review in line with best practice.</li> <li>• The Constitution includes the Shareholder Committee roles of the Finance and Assets Committee and the Operational Services Committee for the East Cambridgeshire Trading Company (ECTC) and East Cambridgeshire Street Scene (ECSS), respectively, and the Anglia Revenues Partnership Joint Committee.</li> <li>• Business Continuity Management arrangements are in place to support delivery of services and outcomes in the case of unforeseen events.</li> </ul>	<ul style="list-style-type: none"> <li>• See previous comments (Principle C page 9)</li> </ul>
<p>Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money</p>	<ul style="list-style-type: none"> <li>• Performance management in the Council is based on the Corporate Plan priorities supported by Service Delivery Plans. The Council's two Policy Committees (Operational Services and Finance and Assets) approve and monitor performance against Service Delivery Plans. For the financial years 2020/21 and 2021/22 the Council's Corporate Management Team made the decision to suspend service delivery planning and monitoring / reporting to Committee due to the pressure to maintain services during the Covid-19 pandemic. The Service Delivery Planning process has been reintroduced from April 2022 for the 2022/23 year.</li> <li>• A summary of the overall performance of the Council , linked to the promises detailed in the Corporate Plan, is included in the introduction to the Statement of Accounts.</li> <li>• The Council has established a robust financial planning process which includes a Medium Term Financial Strategy, frequent budget monitoring reports to officers and quarterly budget monitoring reports to Policy Committees.</li> <li>• Customer satisfaction surveys are issued by services such as the Care and Repair team. These seek to ensure that outcomes meet</li> </ul>	

<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
	<p>requirements i.e. improved accessibility and efficient and effective processes.</p> <ul style="list-style-type: none"> <li>• Service Lead participation in professional networks enables sharing of latest best practice and benchmarking.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Focus and further development for 2022/23</b></li> <li>• As above, reinstating performance reporting arrangements from April 2022.</li> <li>• A review will be undertaken of the perception of users of the budget monitoring reports and steps taken to address any identified shortfalls.</li> <li>• The Company Secretary of ECTC and ECSS will review the arrangements for the Shareholder Seminar and approval of Business Plans to align with the requirements of the AGS.</li> </ul>		

<b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
Defining and documenting the roles and responsibilities of Members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements	<ul style="list-style-type: none"> <li>The Council's Constitution sets out how the Council operates and decisions are made. This contains separate articles and key documents covering the Member Code of Conduct, Proper Officer functions, and protocols for the Monitoring Officer.</li> <li>As the Head of Paid Service, the Chief Executive leads the officers and chairs the Council's Corporate Management Team. The other two statutory officers, the Monitoring Officer and S151 Officer report directly to the Chief Executive, and are both members of the Corporate Management Team.</li> <li>Regular meetings are held between the Leader of the Council and Chief Executive and the Leader of the Council and Corporate Management Team in order to maintain a shared understanding of roles and objectives.</li> </ul>	In addition, the Chief Executive and/or members of CMT have regular briefings with the Leaders of all other Groups.
Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)	<ul style="list-style-type: none"> <li>The Council establishment includes a Chief Finance Officer (CFO), ensuring the financial management arrangements conform with the requirements within the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015). This responsibility was discharged by the Finance Manager &amp; S151 Officer during 2021/22.</li> </ul>	
Ensuring effective arrangements are in place for the discharge of	<ul style="list-style-type: none"> <li>The Monitoring Officer is a statutory appointment under Section 5 of the Local Government and Housing Act 1989. These responsibilities were delivered by the Legal Services Manager in 2021/22. The Monitoring Officer undertakes to discharge their statutory responsibilities with a</li> </ul>	

<b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
the Monitoring Officer function	<p>positive determination and in a manner that enhances the overall reputation of the Council. In doing so they will also safeguard, so far as is possible, members and officers whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.</p> <ul style="list-style-type: none"> <li>• It is important that Members and officers work together to promote good governance within the Council. The Monitoring Officer plays a key role in this and it is vital therefore, that Members and officers work with the Monitoring Officer to enable them to discharge their statutory responsibilities and other duties.</li> <li>• There are working arrangements and understandings in place between the Monitoring Officer, members and the Corporate Management Team which are designed to ensure the effective discharge of the Council's business and functions. These arrangements are detailed in the Monitoring Officer Protocol, which is a key document in the Council's Constitution.</li> </ul>	
Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function	<ul style="list-style-type: none"> <li>• The role of Head of Paid Service is defined in the Local Government and Housing Act 1989. In East Cambridgeshire District Council, it is assigned to the Chief Executive as set out in the Constitution and all necessary powers are delegated to fulfil the statutory role.</li> <li>• The Council is also required to provide the Head of Paid Service with staff, accommodation and other resources sufficient to enable the performance of the function. The annual budget proposed to Council, prepared by officers, seeks to align the provision of Council resources with the delivery of the Corporate Plan. In this manner, the Head of Paid Service is ensuring that the Council is fulfilling its duty.</li> </ul>	
Providing induction and identifying the development needs of members and officers in	<ul style="list-style-type: none"> <li>• There is a Member induction and training programme in place. Members are also required to undertake specific training before performing certain duties such as planning and licensing. Additional Member seminars are</li> </ul>	<p>Member seminars and training delivered in 2021/22 included:</p> <ul style="list-style-type: none"> <li>• 09/06/2021 ECTC/ ECSS Shareholder Meeting</li> </ul>

<b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
relation to their strategic roles, supported by appropriate training	<p>also arranged throughout the year to deal with specific issues as they arise.</p> <ul style="list-style-type: none"> <li>• There is an induction programme for all new employees, which consists of a mix of one-to-one meetings covering specific aspects of employment and group meetings that deal with more common areas.</li> <li>• Staff training and development needs are reviewed at performance appraisals and supervision meetings.</li> <li>• All officer posts within the Council have a detailed job description and person specification. The development needs of officers are determined through an annual performance appraisal, a key outcome of which is a Personal Development and Training Plan. This Plan provides a link between service and corporate priorities and career development. Requests for professional/vocational training are presented to Corporate Management Team annually for final consideration.</li> <li>• Continuous professional development completed by professional officers.</li> </ul>	<ul style="list-style-type: none"> <li>• 21/06/2021 Audit Committee Training</li> <li>• 29/06/2021 Parliamentary Constituencies</li> <li>• 11/10/2021 Network Rail</li> <li>• 16/11/2021 Youth Provision</li> <li>• 13/12/2021 Transport</li> <li>• 20/01/2022 Budget</li> </ul>
Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> <li>• Healthy You programme is promoted with Council staff.</li> <li>• Promotion of health and wellbeing resources available via the Council's intranet pages.</li> <li>• Remote Working Policy adopted and health and safety advice available to support staff working on and off site.</li> <li>• Details of health and safety working group and codes of practice made available to all staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Health and Safety policy reviewed and issued in August 2021.</li> </ul>
Proactive and effective use of technology to support service delivery	<ul style="list-style-type: none"> <li>• Adoption of employee self-service systems for payroll and human resources activity.</li> <li>• Refreshing and reviewing systems to ensure these remain effective and up to date.</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of new payment system – ahead of decommissioning of previous platform.</li> </ul>

<b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
<b>Focus and further development for 2022/23</b>		
<ul style="list-style-type: none"> <li>Expanding use of new modules and workstreams within the Planning software.</li> </ul>		



**Principle F: Managing risks and performance through robust internal control and strong public financial management**

Key element	How the Council achieves this	Development in 2021/22
<p>Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability</p>	<ul style="list-style-type: none"> <li>• The Council has a Risk Management Policy and framework to detail the approach to managing risks. The latest Policy was approved by Full Council in October 2020.</li> <li>• The Council's Corporate Risk Register is the result of continuous review by a Risk Management Group, the Corporate Management Team and received by the Audit Committee, of the key risks that may have an impact on achieving the Council's objectives. Each risk shows the owner and the key controls in place to minimise any impact on the Council and its provision of services to stakeholders. Individual projects and partnerships are also subject to risk assessments.</li> <li>• Service Leads are asked to identify and highlight major risks at a service level for consideration by the Risk Management Group. Other service risks are managed by Service Leads via the Service Planning process.</li> <li>• The Strategic Business Continuity Plan ensures that the Council is able to plan for, and respond to, a disruptive incident in order to continue service delivery and business operations at an acceptable predefined level.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Impact Assessments and Business Continuity Plan reviewed in 2021/22.</li> </ul>
<p>Ensuring compliance with the principles of the CIPFA Financial Management Code</p>	<ul style="list-style-type: none"> <li>• The Council's s151 Officer's self-assessment in 2020/21 against key elements of the Code identified that the only area of non-compliance related to the reporting of reserve account details to committee and action was taken to include details in reports to the Finance and Assets Committee during the financial year 2020/21.</li> </ul>	<ul style="list-style-type: none"> <li>• For 2021/22 the s151 Officer has carried out a further self-assessment against the final published version of the Code and associated guidance notes. Internal Audit has undertaken a review of the self-assessment to provide an independent review and to highlight areas for consideration of further work.</li> </ul>

<b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
Ensuring an effective scrutiny function is in place.	<ul style="list-style-type: none"> <li>The Council has a Call-In and Referral Up Procedure which is part of the Constitution. This enables councillors to call in decisions made through the Policy Committees. Council can then consider the matter afresh and make a final decision which could be to uphold, amend or reject the previous decision of the Policy Committee.</li> <li>The Council provides Members to other Scrutiny Committees, where required, to review the performance and effectiveness of other public service providers as well as the Council. Examples include the Cambridgeshire Police &amp; Crime Panel, Health &amp; Wellbeing Board and the Community Safety Partnership.</li> </ul>	
Ensuring effective counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> <li>An Anti-fraud and Corruption Strategy is in place which includes procedures relating to Money Laundering and Bribery Act.</li> <li>The Council participates in the National Fraud Initiative (NFI) exercises to identify potential indicators of fraud or error.</li> <li>Fraud reporting email address made available for reporting concerns. The Whistleblowing policy also provides a route for raising concerns in confidence.</li> </ul>	
Gaining assurance on risks associated with delivering services through third parties	<ul style="list-style-type: none"> <li>The Council's Corporate Risk Register details the governance controls that it maintains over its trading companies, to ensure that any risks associated with these are quickly identified. As part of the processes included in this, is the need for the companies to produce an annual Business Plan that includes a risk management section for approval at Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Review of Service Level Agreements (SLAs) with voluntary organisations conducted during 2021/22 which contained recommendations that were approved by Operational Services Committee.</li> </ul>

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

Key element	How the Council achieves this	Development in 2021/22
<p>Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)</p>	<ul style="list-style-type: none"> <li>• The Audit Committee for the financial year 2021/22 operated in line with a terms of reference and supporting procedure rules covering internal and external audit, risk management, annual statement of accounts, corporate governance and internal control arrangements, and anti-fraud and corruption arrangements.</li> <li>• In accordance with guidance, the Audit Committee does not engage in decision making which would impact upon its independence.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee training delivered in June 2021.</li> </ul>
<p>Arrangements for managing data to ensure security, quality and accuracy</p>	<ul style="list-style-type: none"> <li>• The Council has a Data Protection Officer (DPO) and Senior Information Responsible Officer (SIRO).</li> <li>• Training is provided to staff on data protection, including as part of induction processes.</li> <li>• Service Leads ensure data is managed in line with Council policy and procedure.</li> <li>• Where parts of the service are outsourced or delivered in partnership, and the third party processes or has access to Council data, assurance is obtained from the third party regarding the robustness of systems and controls it has in place.</li> </ul>	
<p><b>Focus and further development for 2022/23</b></p> <ul style="list-style-type: none"> <li>• Risk management training scheduled for June 2022 for all elected Members.</li> <li>• Review of the effectiveness of the Audit Committee to be completed, followed by a report to Council on the activity and effectiveness of the Committee.</li> <li>• Counter Fraud policies to be subject to review, to ensure compliance with latest best practice.</li> </ul>		

<b>Principle G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b>		
<b>Key element</b>	<b>How the Council achieves this</b>	<b>Development in 2021/22</b>
Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.	<ul style="list-style-type: none"> <li>The Council provides support and information to the externally appointed auditors (Ernst &amp; Young LLP). Audit findings and recommendations are reported through the Audit Committee.</li> </ul>	
Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.	<ul style="list-style-type: none"> <li>The Council demonstrates a strong commitment to working in partnership with other agencies to deliver priority outcomes and ensure that this partnership activity provides value for money and added value.</li> <li>The governance arrangements for key partnerships are kept under review. Governance arrangements for significant partnerships, such as the East Cambs Trading Company, East Cambs Street Scene and the Anglia Revenues Partnership, are documented in the Constitution.</li> </ul>	
Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	<ul style="list-style-type: none"> <li>During 2021/22 Internal Audit was resourced externally from a shared service led by Milton Keynes Council which was led by a professionally qualified Chief Internal Auditor in accordance with the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations, Public Sector Internal Audit Standards and the Local Government Application Note.</li> <li>The Internal Audit Charter is in line with the Public Sector Internal Audit Standards and provides for the necessary access required to exercise this key role.</li> </ul>	

	<ul style="list-style-type: none"> <li>• The Head of Internal Audit has been a regular attendee at Audit Committee meetings and progress reports on delivery of the audit plan have been provided throughout the financial year.</li> <li>• Implementation of audit recommendations are subject to monthly follow ups by the Internal Audit team and progress is reported to every Committee meeting via a progress report.</li> </ul>	
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**Focus and further development for 2022/23**

- To conduct assessment against the latest CIPFA guidance on the Role of the Head of Internal Audit – designed ‘to help ensure organisations engage with and support the role effectively’.

## 5. Review of effectiveness

- 5.1. East Cambridgeshire District 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 directors within the Council who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditors annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 5.2. The following is a brief description of the roles and processes that have been applied in evaluating the effectiveness of the governance framework:

### 1. The Council

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- In July 2021 the Council approved the Corporate Plan for 2021-2023 which forms the basis of the performance management framework. Council reviews progress against the plan, ensuring it remains committed to the priorities whilst delivering a balanced budget.
- Council approved financial documents including the Medium Term Financial Strategy, Capital Strategy, General Fund Revenue Budget, Treasury Management Strategy, and the Council Tax Reduction Scheme. The Medium Term Financial Strategy provides the financial structure for the policy and budget framework, corporate planning, annual service planning and budget setting.
- Section 151 of the Local Government Act 1972 requires that every local authority shall make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for administration of those affairs. This role was discharged by the Council's Finance Manager & S151 Officer during 2021/22.
- The CIPFA Financial Management Code published in October 2019 sets out the financial standards of financial management for local authorities. Full adoption of the Code commenced on 1<sup>st</sup> April 2021. A self-assessment by the s151 Officer in 2021/22 did not highlight any areas of non-conformance with key principles of the Code. An independent review by Internal Audit of the self-assessment was also conducted and areas for further consideration have been reported.
- The Council has considered the appointment of Independent Persons for the Council in accordance with the standards framework to be compliant with the Localism Act 2011. The appointment was made by Full Council in May 2019 and will be for a period of four years.
- Council approved key strategies and policies such as the Corporate Plan 2021-2023 and the revised Corporate Risk Management Policy are in place and communicated.

### 2. The Finance and Assets Committee

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- The Committee reviewed and noted quarterly budget monitoring reports.
- The Committee approved financial reports, such as the Treasury Management Strategy, Treasury Management Annual Performance Review, the Annual Investment Strategy, Revenue Budgets, Capital Strategy, Council Tax, overall

Council Budget reports, and reviewed the minutes of the ARP Joint Committee, as the partnership which delivers revenues and benefits for the Council.

- In undertaking its role as the Shareholder Committee for East Cambs Trading Company (ECTC), the Committee approved the Business Plan for 2022/23 (June 2022) and noted the ECTC accounts for 2020/21.

### **3. The Audit Committee**

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- The Committee performed the role of the Audit Committee as defined by the Public Sector Internal Audit Standards, which covered internal and external audit matters, risk management arrangements, corporate governance including internal control arrangements and the annual governance statement, anti-fraud and corruption arrangements, and the statement of accounts.
- The Committee received reports on corporate risks, the work of internal audit, including the annual report, and external audit reports, letters and briefings. It also reviewed and approved the Annual Governance Statement for 2020/21.

### **4. The Operational Services Committee**

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- The Committee received and noted quarterly budget monitoring reports. The Committee also reviewed the revised Environment & Climate Change Strategy & Action Plan; an overarching Environment Policy; and plans for the new 'Investors in the Environment' programme.
- The Committee received a progress report against the East Cambridgeshire Youth Action Plan 2021-24 and an annual update on the performance and capacity of the Community Advice Service.
- In undertaking its role as the Shareholder Committee for East Cambs Street Scene (ECSS), the Committee received performance reports for the delivery of the waste and street cleansing services by ECSS. The Committee also approved the ECSS Business Plan for 2022/23 and noted the ECSS statutory accounts for 2020/21.

### **5. Relationship between the Council and its Trading Companies**

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The shareholder arrangements for the Finance and Assets and Operational Services Committee are detailed above. In addition, there are a number of matters reserved for Council as the sole shareholder, as detailed in the Shareholder Agreement. The Council continues to implement the revised arrangements for the membership of the ECTC and ECSS board and wider member scrutiny (ref: Council – 17 October 2019 Agenda Item 14 and 15) specifically the appointment of the Leader of Council or Deputy Leader of Council and the respective Chairman of Committee to the Boards as Observers, the membership of the Boards to include the respective Director, delegations of functions of Council to the respective Committee to meet its shareholder responsibilities and an annual all member shareholder seminar held at the end of each financial year. The Audit Committee recognise the importance of the trading companies meeting the published timetable for the annual shareholder seminar.

## 6. Internal audit

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- The Council takes assurance about the effectiveness of the governance environment from the work of Internal Audit, which provides independent and objective assurance across the whole range of the Council's activities. It is the duty of the Chief Internal Auditor to give an opinion on the adequacy and effectiveness of internal control within the Council. This opinion has been used to inform the Annual Governance Statement.
- The Chief Internal Auditor's annual report was presented to the Audit Committee in July 2022. This report outlined the key findings of the audit work undertaken during 2021/22 including any areas of significant weakness in the internal control environment.
- The Chief Internal Auditor's annual opinion for 2021/22 is that:

I am satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control for 2021/22. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

It is my opinion that **Satisfactory Assurance** can be given over the adequacy and effectiveness of the Council's control environment for 2021/22. This control environment comprises of the system of internal control, governance arrangements and risk management. This remains consistent with the opinion given in the previous year.

### **Financial control**

Controls relating to the key financial systems which were reviewed during the year were concluded to be generally operating effectively. An exception related to approval of invoice payments over £50,000 - where it was noted, from follow up testing, that manual controls implemented following the 2020/21 audit were not operating consistently to ensure sign off by a Director or s151 Officer in some cases.

Some areas for improvement have been noted in the audit reports received relating to the delegated revenues and benefits systems, including valuation office reconciliations for business rates and the timeliness of Council Tax refund processing.

Assurances have been given over actions being taken to address these areas and this will be followed up in 2022/23.

### **Risk management**

Established structures and processes for identifying, assessing and managing risk remained consistent during 2021/22. The risk register was received by the Audit Committee on a six monthly basis, considering the outcomes of quarterly reviews conducted by the Council's risk management group.

Internal Audit work is targeted upon the Council's key areas of risk, in addition to providing the necessary assurances over the wider governance and control framework. Internal Audit work completed in 2021/22 assessed assurances in relation to controls in some of these key areas.



## **Internal control**

For the audits completed by the delegated service in 2021/22, 100% of the opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance. Of these audits, none have resulted in an opinion of 'major' organisational risk, which would impact upon the annual assurance opinion.

Control weaknesses have been reviewed in relation to the ICT outages experienced during the year and an action plan is in place to address the areas for improvement.

Of the recommended actions agreed during 2021/22, and due for implementation, 83% had been completed during the year. There are, however, a further six agreed actions from previous financial years which remain unimplemented at the time of reporting.

Internal Audit has not been made aware of any further governance, risk or significant internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

## **7. External audit**

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- Under the Government's local public audit regime the Audit Commission initially, and more recently Public Sector Audit Appointments Limited, have awarded contracts for work previously carried out by the Audit Commission's audit practice. As a result Ernst & Young (now EY) became the appointed external auditor for East Cambs District Council from 1 September 2012.
- EY's audit results report for the financial year 2020/21 was presented to Audit Committee on 22 November 2021. The annual audit report 2020/21 was presented to the Committee on 14 March 2022.
- For the financial year 2020/21 EY issued unqualified audit opinions on the Council's financial statements and value for money conclusion.

## **8. Other inspection agencies**

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- In November 2021, the Council was subject to a routine inspection by the Investigatory Powers Commissioners Office (IPCO). The inspection revealed that the Council's Regulation of Investigatory Powers Act (RIPA) Policy needs updating. This will be implemented during 2022, along with training for all staff who would use the RIPA powers.

## **9. Impact of the Covid-19 pandemic in 2021/22**

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- During 2021/22 the Council had operating in recovery stages of the Covid-19 pandemic, with support of an internal officer recovery group led by the Operations Director. This was set up to maintain key services, continue to help those in need, support local businesses and keep everyone informed. Work stream examples included:
  - Continued focus on working with businesses, offering help, support and guidance;

- Working with parish councils to offer support, and guidance including the introduction of a Covid-19 local outbreak response plan;
  - Ensuring local outbreaks of the virus are managed and monitored;
  - Ensuring that residents self-isolating have access to food deliveries, hardship payments and general support;
  - Continued homelessness prevention, access to benefits and hardship grants;
  - Working with statutory partners including Public Health and the County Council to ensure a joined up approach;
  - Getting messages out to residents on how to stay safe by social distancing; and,
  - Administering the Government's test and trace self-isolation payments.
- The Council is part of the Local Resilience Forum who have convened a County-wide Recovery Coordination Group, which allows the Council to work collaboratively with a multitude of organisations towards a common goal. A number of sub-groups were set up covering different areas of work with the Council being represented by officers.
  - The Council established a Covid-19 Member Working Party to feed into the wider district recovery plan.
  - The Council's governance structures were refined during the transition through recovery phases and were supported by comprehensive action plans, communications and performance management.
  - Internal Audit reported on the Council's response to COVID-19 recovery in 2021/22 (ref: 28/02/2022), the Auditor's Opinion is summarised below:

Internal Audit Assurance Opinion	
Control Environment	Good Assurance
Compliance	Substantial Assurance
Organisational Impact	Minor

There were no high or medium recommendations, there were two low risk recommendations in relation to the requirement for a template for a decision log and final update including lessons learnt. Both of these actions have been agreed by Management Team.

## 6. Significant governance issues and actions

The review of the effectiveness of the Governance Framework has provided a satisfactory level of assurance. The review process has highlighted no significant issues.

## 7. Conclusion

Based on the work that has been completed, assurance can be taken that the governance arrangements at East Cambridgeshire District Council are fit for purpose.

**8. Statement by Leader of the Council and Chief Executive**

The Council has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to its citizens and stakeholders.

We propose over the coming year to continually address any issues arising that need addressing in order to further enhance its governance arrangements.

Signed:



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Anna Bailey  
Leader of the Council

John Hill  
Chief Executive

Date: 19 July 2023

Date: 19 July 2023