

ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT 2024/2025



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1. Scope of Responsibility

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

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

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

The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework. The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework. For the year ended 31 March 2025, the AGS shows our assessment of compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).

The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2024-25 and any changes and improvements planned for the 2025-26 year.

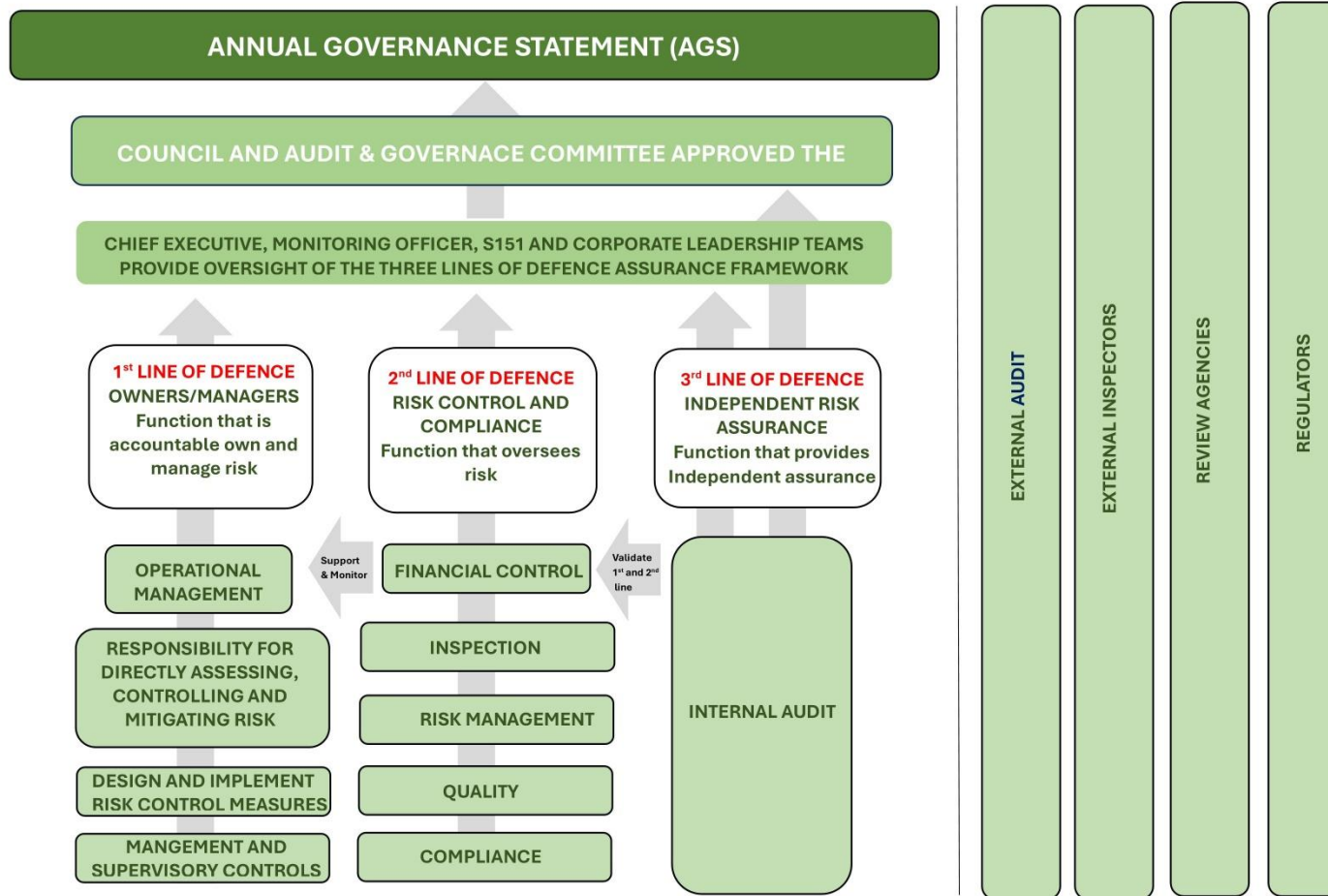
The Council’s Statutory Officers are as follows:

- Chief Executive (Head of Paid Service);
- Strategic Director Resources (Section S151 Officer);
- Strategic Director/Deputy Chief Executive (Monitoring Officer)

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

2. The Corporate Governance Framework

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



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

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

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

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

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

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

3. Review of Effectiveness

The governance framework includes arrangements for:

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

The Council's governance framework has operated effectively throughout 2024-2025 and up to the date of approval of the annual statement of accounts and the AGS.

The governance framework is consistent with the principles set out in the CIPFA-SOLACE Framework, and is reviewed on an annual basis. The table below is a summary of the Council's compliance against the principles of the CIPFA-SOLACE Framework and the arrangements set out in the Council's Local Code of Corporate Governance. A RAG rating is given against each principle.

PRINCIPLE A

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

Conclusion:

The Council was overall generally compliant with Principle A of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed. The review of the Council's Financial Regulations and Contract Procedure Rules which was an action arising from last year's AGS have been completed and incorporated in the Council's Constitution.

The Council has also taken a number of steps to strengthen its Member Code of Conduct and Standards regime including the appointment of a new Independent Person and a representative of the Town and Parish Councils in the district as part of a new strengthened Standards Sub-Committee.

The council does need to undertake a review of its Equality and Diversity Policy and Strategy having regards to the advisory audit undertaken during the last year and needs to continue to progress its work to enhance the council's information governance framework.

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

Conclusion:

The Council was overall generally compliant with Principle B of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed.

The Council has strengthened many of its assurance mechanisms against this principle, including the publication of agendas and minutes, and enhancing its webcasting of meetings, and is in the process of finalising a new Communications Strategy.

As referred to in the assessment against Principle A, the Council needs to undertake a review of its Equality and Diversity Policy and Strategy, and review its arrangements for recording and publishing of officer decisions and scheme of delegation.

PRINCIPLE C

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

Conclusion:

The Council considers that it was compliant with Principle C of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE D

Determining the interventions necessary to optimise the achievement of intended outcomes

Conclusion:

The Council considers that it was compliant with Principle D of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed.

The council has made improvements to its performance management arrangements and will continue to enhance this, particularly through reporting of performance to relevant policy committees.

PRINCIPLE E

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

Conclusion:

The Council was overall generally compliant with Principle E of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed.

Whilst there are good arrangements in place against this principle and there have a number of positive interventions during the course of the year, the need to strengthen member and officer training and development has been recognised and additional resource and a new post has been established as part of the council's budget to drive forward improvements in this area to develop the capability of its leadership and individuals.

PRINCIPLE F

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

Conclusion:

The Council considers that it was compliant with Principle F of the CIPFA-SOLACE Framework during 2024/25 and this compliance has been maintained to the date this statement was signed.

The Council is continuing to enhance its approach to Corporate Procurement, through an agreement with Essex Procurement Partnership

PRINCIPLE G

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

Conclusion:

The Council considers that it was generally compliant with Principle G of the CIPFA-SOLACE Framework during 2024/25, and this compliance has been maintained to the date this statement was signed.

A review of the council's compliance against the Local Government Transparency Code, and the recent revisions made to the Code has been commenced. This review needs to be concluded and processes established to ensure ongoing compliance.

4. Update on Governance Issues from 2023/24

Set out below is an update against the issues and actions identified in in the 2023/2024 Annual Governance Statement report -

Rochford District Council Annual Governance Statement 2023-24 Update – June 2025

Principle	No	Issue	Update	Responsible Officer	Target Date	Status
D - Determining the interventions necessary to optimise the achievement of intended outcome	1	Review and ensure clarity of the organisation's strategic priorities through the production and approval of a Corporate Plan that is subject to regular review	A new Corporate Plan was approved at Full Council in September 2024. It was agreed at the same time that the plan would be subject to annual review and approval alongside the Council's budget in February each year. The Plan has now been published and is out to consultation as part of the Budget Setting process for 2025/2026	Director of Policy & Transformation	Oct 24	Complete
	2	Develop and implement a new Asset Strategy and framework that demonstrates best practice for managing the Council's assets and supports delivery of the Council's corporate vision and priorities	The Asset Management Strategy and framework update was approved at the Strategy, Finance and Policy Committee held on 24 th June and future delivery will be monitored by the committee.	Director of Assets & Investments	Feb 25	Complete
	3	Implement effective performance management arrangements and processes to enable the organisation to regularly consider and identify performance against the Corporate Plan including delivery of services,	New Internal Governance Arrangements and Boards aligned to the Corporate Plan themes have been established. These will provide ongoing oversight and co-ordination of delivery against the Corporate Plan. This includes a Corporate Governance Group that	Director of Policy & Transformation	Nov 24	Complete

		<p>achievement of its strategic priorities, governance arrangements and organisational development</p>	<p>will have oversight of governance arrangements and a Corporate Transformation Board, which shall cover organisational development matters. In addition, the Performance Management Framework is being revised and updated and a project is being undertaken to consider the introduction of a new supporting performance management system.</p> <p>There will be an Audit on Performance Management which will identify key areas where we need to improve around performance. We are presently working with IT on creating dashboards across each service that will assist to deliver the Performance Management system. The work in terms of introducing a performance management system will continue into 2025/26</p>			
<p>F - Managing risks and performance through robust internal control and strong public financial management</p>	4	<p>Review and update Contract Procedure Rules to ensure they are fit for purpose and support/enable an effective organisation</p>	<p>New Contract Procedure Rules were presented to Audit & Governance Committee on 3 December 2024 that update the previous Rules, complement the new Financial Regulations and reflect (or are adaptable for) the Procurement Act. They will be presented to Council for approval</p>	<p>Strategic Director of Resources</p>	<p>Dec 24</p>	<p>Complete</p>

			and incorporation into the Constitution.			
	5	Review and update Financial Regulations to ensure they are fit for purpose and support/enable an effective organisation	New Financial Regulations were presented to Audit & Governance Committee on 3 December 2024 that update the previous Regulations and complement the new Contract Procedure Rules. They will be presented to Council for approval and incorporation into the Constitution.	Strategic Director of Resources	Dec 24	Complete
G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability	6	Ensure effective operation of the new committee system of governance and sound understanding of the arrangements across all Elected Members and relevant officers	The Committee System has been in operation for only 12 months, and its implementation was particularly hindered as a result of the UK Parliamentary Elections held in July. The system of governance is however considered to be operating reasonably well with ongoing enhancements being made including review and updating of the Constitution through the Constitution Working Group and terms of reference at the Annual Council Meeting, clarity of key roles and development of comprehensive work programmes. The system will be subject of ongoing review and development.	Director of People & Governance	May 25	Complete

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

Chief Audit Executive Opinion

The role of internal audit is to provide an opinion to the Council, through the Audit and Governance Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed.

The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service.

It also summarises the activities of internal audit for the period. The basis for forming my opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes;
- An assessment of the range of individual opinions arising from risk based audit assignments contained within internal audit risk based plans that have been reported throughout the year;
- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and
- Any reliance that is being placed upon third party assurances.

Opinion

The role of internal audit is to provide an opinion to the Council, through the Audit and Governance Committee (previously Audit, Governance and Appointments Committee), on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period. The basis for forming my opinion is as follows:

- An assessment of the design and operation of the underpinning corporate risk register and supporting processes
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year

- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses
- Any reliance that is being placed upon third party assurance.

It should be noted that assurance can never be absolute and the matters which have formed this opinion are only those, which came to the attention of the Chief Audit Executive (CAE) and Internal Audit Service during the year and are not necessarily a comprehensive statement of all the weaknesses that may exist, or of all the improvements that may be required.

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

The CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the council's arrangements. Based on the work performed during 2024/25 and other sources of assurance the CAE is of the opinion that **adequate assurance** can be taken that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2025, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework. In forming our view we have taken into account that:

- Internal Audit has delivered 9 planned audit reviews for 2024/25. Initial testing work, on behalf of the external auditor, was also completed in respect of the housing benefit subsidy grant for 2023/24. **Appendix 1** of the Internal Audit Annual Report and Annual Statement summarises the Internal Audit work completed in 2024/25 and the assurance opinions given.
- It was agreed with the Strategic Director/Deputy Chief Executive to defer two audits from the plan (Member Enquiries and Scheme of Delegation). An audit review of the Norse contract was added to the plan. Work in relation Performance Management has not been undertaken for Rochford Council, as this area is subject to examination by BDO for Brentwood Council (processes are mirrored for both councils).
- An 'Adequate' assurance opinion was provided in five areas, 'Limited' in three areas, and one which was an advisory review (Property Asset Management), which carried no audit opinion.
- As at 20/5/25 there were a total of 41 'live' audit recommendations.

6. Governance Areas of focus for 2025/2026

The Council, Chief Executive and wider senior Offices are committed to ensure the high standards of governance are maintained and remain embedded across the authority. Governance will also remain an area for further development and 2025/26 the following actions are planned. In each case the issue and planned action links the CIPFA-SOLACE framework principle and then details the planned action.

PRINCIPLE A

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

Issues/actions identified and Director responsible:

1. Develop the Information Governance Framework to ensure a structured approach to managing information within the authority, ensuring it is handled ethically, legally, and securely (Director of Customer and Digital).
2. Review the Council's Equality and Diversity Policy and Strategy (Director of Policy and Transformation)

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

Issues Identified:

3. Review and develop the council's approach to recording and publishing of officer and undertake a review of the Scheme of Delegation (Monitoring Officer).

PRINCIPLE E

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

Issues Identified:

4. Develop and enhance the arrangements for Member and Officer Training and Development (Director of People & Governance).

PRINCIPLE G

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

Issues Identified:

5. Complete the review of the Local Government Transparency Code (Director of Policy & Transformation)
6. Continue to develop the effectiveness of the new committee system of governance and sound understanding of the arrangements across all Elected Members and relevant officers (Director of People & Governance)

7. Certification

In the Corporate Plan 2024-2028, Rochford District Council has committed to priorities and expected outcomes in terms of financial stability, early intervention, maximising use of assets and enabling communities.

For such a commitment to be achieved the Council must have a solid foundation of good governance, supported by sound financial management. The Council operates under the principles identified in The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework 2016 'Delivering Good Governance in Local Government'.

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

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

This AGS provides assurances on compliance with The Code for the year ending 31st of March 2025 but will include the position up to the date of sign-off of the Annual Accounts.

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

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



Councillor Danielle Belton
Leader of the Council



Jonathan Stephenson
Chief Executive