



## Public Document Pack

# Uttlesford District Council

Chief Executive: Dawn French

## Governance, Audit and Performance Committee

**Date:** Thursday, 10th June, 2021

**Time:** 7.00 pm

**Venue:** Council Chamber - Council Offices, London Road, Saffron Walden, CB11 4ER

**Chairman:** Councillor E Oliver

**Members:** Councillors H Asker, G Driscoll (Vice-Chair), J Emanuel, M Foley, A Khan, B Light, S Luck and J De Vries

**Substitutes:** Councillors A Dean, P Fairhurst, V Isham, G Smith and M Sutton

### **Public Speaking**

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting. Please register your intention to speak at this meeting by writing to [committee@uttlesford.gov.uk](mailto:committee@uttlesford.gov.uk)

Public speakers will be offered the opportunity for an officer to read out their questions or statement at the meeting, and encouraged to attend the meeting via Zoom to read out their questions or statement themselves. For further information, please see overleaf. Those who would like to watch the meeting live can do so virtually [here](#). The broadcast will be made available as soon as the meeting begins.

# **AGENDA**

## **PART 1**

### **Open to Public and Press**

- 1 Apologies for Absence and Declarations of Interest**  
To receive any apologies for absence and declarations of interest.
- 2 Minutes of the Previous Meeting** 4 - 8  
To consider the minutes of the previous meeting.
- 3 Internal Audit Report - Grants to Community Organisations** 9 - 25  
To consider the Internal Audit Report – Grants to Community Organisations.
- 4 Local Code of Corporate Governance and Draft Annual Governance Statement 2020/21** 26 - 54  
To consider the Local Code of Corporate Governance and Draft Annual Governance Statement 2020/21.

## **MEETINGS AND THE PUBLIC**

In light of the recent High Court judgement regarding the extension of remote meeting regulations, Council, Cabinet and Committee meetings will now be returning to in-person and will be held on-site from Thursday 6th May 2021. However, due to social distancing measures and capacity considerations in line with the Council's risk assessment, public access and participation will continue to be encouraged virtually until further notice. Members of the public are welcome to listen live to the debate of any of the Council's Cabinet or Committee meetings. All live broadcasts and meeting papers can be viewed on the Council's calendar of meetings webpage.

Members of the public are permitted to speak at this meeting and will be encouraged to do so via the video conferencing platform Zoom. If you wish to make a statement via Zoom video link, you will need to register with Democratic Services by midday two working days before the meeting. There is a 15 minute public speaking limit and 3 minute speaking slots will be given on a first come, first served basis. Those wishing to make a statement via video link will require an internet connection and a device with a microphone and video camera enabled. Those wishing to make a statement to the meeting who do not have internet access can do so via telephone.

Technical guidance on the practicalities of participating via Zoom will be given at the point of confirming your registration slot, but if you have any questions regarding the best way to participate in this meeting please call Democratic Services on 01799 510 369/410/467/548 who will advise on the options available.

### **Facilities for people with disabilities**

The Council Offices has facilities for wheelchair users, including lifts and toilets. The Council Chamber has an induction loop so that those who have hearing difficulties can hear the debate.

If you are deaf or have impaired hearing and would like a signer available at a meeting, please contact [committee@uttlesford.gov.uk](mailto:committee@uttlesford.gov.uk) or phone 01799 510410/467 as soon as possible prior to the meeting.

### **Fire/emergency evacuation procedure**

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest designated fire exit. You will be directed to the nearest exit by a designated officer. It is vital you follow their instructions.

#### **For information about this meeting please contact Democratic Services**

Telephone: 01799 510548, 510369, 510410 or 510467

Email: [Committee@uttlesford.gov.uk](mailto:Committee@uttlesford.gov.uk)

#### **General Enquiries**

Council Offices, London Road, Saffron Walden, CB11 4ER

Telephone: 01799 510510

Fax: 01799 510550

Email: [uconnect@uttlesford.gov.uk](mailto:uconnect@uttlesford.gov.uk)

Website: [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

# Agenda Item 2

## **GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at ZOOM on TUESDAY, 16 MARCH 2021 at 7.00 pm**

Present: Councillor E Oliver (Chair)  
Councillors S Barker, G Driscoll (Vice-Chair), M Foley, V Isham, R Jones, A Khan, S Luck and J De Vries

Officers in attendance: R Auty (Assistant Director - Corporate Services), E Brooks (Internal Audit Manager), P Evans (Customer Services and Performance Manager), B Ferguson (Democratic Services Manager), C Gibson (Democratic Services Officer), O Knight (PFI and Performance Officer) and A Webb (Director - Finance and Corporate Services)

Also present: D Eagles (BDO) and A Langridge (BDO).

### **GAP35 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were given by Councillor Foley, who had indicated that he might be able to join the meeting later.

### **GAP36 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 4 February 2021 were approved.

### **GAP37 AUDIT PLAN**

Mr Eagles and Ms Langridge presented BDO's Audit Planning report, which provided Members with the opportunity to review BDO's planned audit strategy for the year ending 31 March 2021. Reference was made to the Overview of Audit risks (Agenda page 22) in that the risks were largely the same as those previously identified.

The Chair referred to the proposed audit timeline and asked whether works would be completed by the end of September 2021 given that the fieldwork would not commence until 30 August 2021.

Mr Eagles said that there were a significant number of incomplete local authority audits outstanding from the previous two years and that, because of the impact of those audits, he considered the deadline of the end of September 2021 to be unrealistic. He said that representations had been made to the Ministry of Housing, Communities and Local Government (MHCLG) for an end of November 2021 deadline, but these had not been accepted. There was a need to discuss exact timings and put a realistic plan in place with the Council.

In response to various questions, Mr Eagles clarified that the 2019/20 Housing Benefits assurance work was a separate piece of work and that the target date for completion was the end of March 2021. He also said that staff were still

dealing with the previous year's audits at other local authorities and therefore could not be allocated in the way in which they would usually be and works could not therefore be completed within the usual timescales.

Councillor Khan asked when the Risk Register had last been reviewed by the Committee.

The Assistant Director - Corporate Services said that a Risk Register review item would be brought to the next scheduled meeting.

Councillor Khan asked how important the Annual Governance Statement was as part of the Annual Accounts. He asked Mr Eagles to confirm that the Annual Governance Statement was a significant part of the Annual Accounts.

Mr Eagles confirmed that the Annual Governance Statement was a mandatory part of the Annual Accounts and its omission would therefore be a significant issue. He responded to further questions about the content of an Annual Governance Statement from Councillor Khan that he was not prepared to answer any questions that related to the 2019/20 Accounts.

Councillor Khan asked again for confirmation that the Annual Governance Statement was an essential part of the Annual Accounts and should be taken seriously.

Mr Eagles confirmed that this was correct.

In response to questions from Councillor Khan about possible interactions between the Auditor and the GAP Committee Chair, Mr Eagles indicated that there were currently no meetings scheduled and that any possible future meetings would be dependant on the nature of any issues encountered.

Councillor Barker declared an interest as a Member of Essex County Council and Chair of Essex Pension Fund; she expressed concerns about possible lack of audit resources and asked for some clarification.

Mr Eagles said that there were significant challenges being faced; the number of firms auditing local government accounts had reduced from seven to five, there had been significant churn around audit appointments for the 2018/19 accounts which together with deadlines being brought forward, more complex requirements and, subsequently, Covid- 19 for 2019/20 had led to what he saw as the worst position in his thirty years of auditing, with audit resource having to focus on completing earlier years' work. He said that the MHCLG was looking to allocate a further £15 million for additional audit fees within the 2021/22 financial year.

Councillor Khan asked, in light of that information, how robust this year's audit would be.

Mr Eagles said that the Council delivered good sets of accounts and working papers and he saw no reason for not having efficient delivery – this was not a question of robustness of audit but of timing of delivery.

Councillor Khan questioned the mechanism in place raising additional issues with the Auditor.

Mr Eagles said that he would be bringing back to the Committee a more detailed Risk Assessment in respect of Use of Resources, once guidance had been received from the National Audit Office.

Councillor Luck raised his concerns about what he considered to be an unsatisfactory situation but indicated that he would take this forward off-line.

The Chair said that this was obviously a sad situation whereby works that usually started in February would not be starting before August. He thanked the BDO Auditors for their contribution.

#### **GAP38 INTERNAL AUDIT TERMS OF REFERENCE - REVIEW OF GRANT GOVERNANCE**

The Internal Audit Manager gave a summary of the report, which detailed the Internal Audit Terms of Reference for the review of the Council's governance and control arrangements for the management of grants to recipient organisation. She said that the review would be looking at the processes that were currently in place.

*Councillor Foley joined the meeting at 7.33 pm.*

In response to various questions the Internal Audit Manager confirmed that the Ward Member grants given by individual Members were within the scope of the review and that all "contract management" processes were also being covered.

Councillor Driscoll said that he would appreciate more guidance for Members in respect of the administration of their £2,000 Ward Member grant budgets.

The Committee noted the scope of the review.

#### **GAP39 COVID-19 PERFORMANCE INDICATOR REPORT 6**

The PFI and Performance Officer gave a summary of the report, which presented the outturn data for all COVID-19 performance indicators for the period 4 January 2021 to 28 February 2021.

He said that overall, data outturns highlighted that services were continuing to perform well despite the current circumstances. He referred Members to the summary provided in Paragraph 18 and highlighted that 193 Test and Trace Payments (Statutory and Discretionary; CV48) had been made since week commencing 12 October 2020. He also said that the report showed that a total of over £5 million had been paid in Localised Restrictions Support Grants (CV51) since w/c 23 November 2020 and that the latest figure now stood at around £7 million over recent weeks.

In response to a question from Councillor Barker about a matter that she had previously raised of introducing a KPI for rent received from commercial tenants, the PFI and Performance Officer confirmed that this remained under consideration.

Councillor Driscoll referred to CV01- Time taken to process Housing Benefit/ Local Council Tax Support New Claims and asked if there was an explanation for the various fluctuations.

Officers confirmed that claims had become more complex, particularly from the self-employed and there had been peaks at the start of each lockdown period but that there had been no shortages of staff during this period and that staffing levels remained adequate.

Councillor Khan raised the issue of measuring both Planning and Environmental Health enforcement during the pandemic.

The PFI and Performance Officer referred to CV09 – Number of enquiries/ complaints received regarding potential premises closures breaches, and social distancing. He said that local Planning enforcement PI's were submitted to Corporate Management Team for review on a quarterly basis and that he would take away the request for data.

In response to a question from Councillor Foley in respect of possible future funding for Planning enforcement, the Director – Finance and Corporate Services said that there would be money in the budget available for the recommendations being made by the East of England Local Government Association planning review team and that ensuring that the correct levels of support were in place was part of the consultants' brief.

The Committee noted the performance of services during the COVID– 19 pandemic.

#### **GAP40 COUNCIL PROCEDURE RULES: TIME PERMITTED FOR QUESTIONS TO THE EXECUTIVE AND COMMITTEE CHAIRS**

Councillor Driscoll, as Chair of the Task and Finish Group, introduced the report and particularly thanked Councillor Barker for her contribution through her insight into the Essex County Council systems.

Members spoke in support of the proposed amendment to Rule 2.4, highlighting the benefits of having written questions and an extended time period of 30 minutes for questions. There was some discussion about the logistics of publishing written answers to questions alongside the Agenda on the website. The view was expressed that this would bring more order, organisation and clarity to the meeting and would enhance the tone.

The Assistant Director - Corporate Services confirmed that, if approved, the recommendation would be taken forward to Council.

The Democratic Services Manager said that the trial period as stated would be for two Council Meetings but that questions would not be permitted at Annual Council or budget setting meetings.

Councillor Khan thanked the Democratic Services Manager and his team for the input.

Councillor Driscoll proposed that the Committee recommends to Council that it amend Rule 2.4 of the Council Procedure Rules as set out in Appendix 1 to this report on a trial basis.

Councillor Isham seconded the motion. There was no dissent.

RESOLVED that the Committee recommends to Council that it amend Rule 2.4 of the Council Procedure Rules as set out in Appendix 1 to this report on a trial basis.

*The meeting closed at 8.03 pm.*

**Committee:** Governance, Audit and Performance Committee

**Date:**

Thursday, 10 June 2021

**Title:** Internal Audit Report - Grants to Community Organisations

**Report Author:** Elizabeth Brooks, Internal Audit Manager  
EBrooks@uttlesford.gov.uk

## Summary

1. Internal Audit recently undertook a review of the above in accordance with the Terms of Reference presented to GAP Committee on 16th March 2021. This report presents the outcome of our review

## Recommendations

2. GAP Committee are requested to note the content of this report

## Financial Implications

3. The Council's 2020/21 total main budget for grants to community organisations was c.£755k, with 2020/21 expenditure totalling approx. £533k.

## Background Papers

4. None

## Impact

Communication/Consultation	This report has been discussed with, and noted by, Service Managers and CMT.
Community Safety	None
Equalities	Any changes made to the Grants Policy/ies should be subject to EqHIA
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None

Workforce/Workplace	None
---------------------	------

## Situation

5. The Council's 2020/21 total main budget for grants to community organisations was c.£755k, with 2020/21 expenditure totalling approx. £533k. In addition, the Cabinet may authorise one-off funding from its Strategic Initiatives Fund (SIF). The objective of this audit was to provide a risk-based review of the council's current governance and internal control arrangements for awarding funding to community organisations and monitoring funding usage to ensure that the grants awarded constitute an appropriate use of expenditure.
6. The key aspects of the management control framework over grant funding administration should include:
  - Clearly defined roles, responsibilities and accountabilities are established for the management of grants.
  - Grant funding programmes are accessible, understandable, and useable by applicants and recipients.
  - A process is laid down to ensure grant programmes are designed, delivered, and managed in a manner that takes account of risk and cost-effective transparent oversight and control systems exist.
7. The scope of our work is limited to areas above and is an assessment of whether the risks which may impact on the Council's governance and oversight arrangements for grant funding to community organisations are being managed effectively and therefore did not consider the eligibility of individual grant awards made.
8. This report presents the outcome of our review. Overall, we found that there is a complex grant system in place due to the number of different grant types in place across the Council, which has led to some inconsistencies in approach and oversight. The Council may benefit from a review of its whole grant programme to explore if it can be rationalised and subject to a central grants policy, which would improve the overall transparency of funding.
9. In summary, two high priority findings have been identified relating to Grant Policy and Terms and Conditions of Funding. Four medium priority findings have been identified relating to eligibility and selection process, monitoring of multiple grant recipients, grant monitoring and transparency reporting.
10. An action plan is attached at Appendix A to assist with the design of controls, should management wish to treat identified risks.

**Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
Lack of robust governance arrangements for the governance of grant funding to community organisations may result in financial loss and/or reputational damage.	2	3	See recommendations below

1 = Little or no risk or impact; 2 = Some risk or impact – action may be necessary; 3 = Significant risk or impact – action required; 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Ref.	Audit Findings	Risk	Recommendations	Priority
<p>1.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 12</p>	<p><b><u>Grant Policy and Procedures</u></b></p> <p>Internal audit identified 17 different grant types to community organisations. Eight relate to ongoing funding programmes; the remainder are one-off and/or annual funding (see Table 1 for detail). Due to the complexity of the grant funding system, it should be noted that there may be further grants that have not been identified during this review.</p> <p>While ten of these grants are overseen by the Council’s Community Development Officer, the remainder are managed by other individuals across the Council. Internal Audit noted that due to the lack of central management/oversight of these grants and/or a central Grants Policy governing the administration across the Council of funds to community organisations, this may lead to inconsistencies in their administration and management.</p> <p>Whilst there is no central policy, there are policies/guidance notes covering some of the individual programmes, although this is not always the case (see Table 1 for detail):</p> <ul style="list-style-type: none"> <li>• Six of the main programmes had a</li> </ul>	<p>Council funding to community organisations may not be aligned to the Council’s corporate objectives as outline in its Corporate Plan, and therefore, funding may not be distributed to programmes and activities that support delivery of the Council’s strategy.</p> <p>Inconsistencies as a result of the number and variety of grants being administered, as well as different management across the Council, may lead to lack of transparency and increased risk of perception of lack of objectivity and fairness, resulting in reputational damage.</p>	<p>Consideration should be given to a review of the grants provided to community organisations, to explore bringing funds under one central policy and/or streamlining the number of grants to ensure there is clear alignment to the Council’s objectives. The central policy should govern all grant funding decisions, regardless of funding source, to ensure clear, consistent, and transparent management of funds.</p> <p>Alternatively, if the decision is made to remain with the current system, each fund should have a grant policy. New and existing individual grant policies should be reviewed and updated to ensure they are consistent with one another. Grant funding should not be agreed without an approved policy in place. It is also recommended if this route is chosen that the Community Development Officer’s database should be expanded to include all grants awarded (see also Finding 4).</p> <p><i>Internal Audit can provide advice separately regarding suggestions for the Policy content.</i></p>	<p>●</p> <p>High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
Page 13	<p>policy/ guidance notes, however, two of the programmes are in the process of having their policies reviewed. While these policies exist, some inconsistencies in expectations were identified between the documents. Furthermore, due to the age of some of these policies, they have not all been subject to a recent EqHIA to demonstrate that the funding policy has assessed the Council's consideration of its equalities responsibilities.</p> <ul style="list-style-type: none"> <li>• Four schemes are historic annual payments, for which agreements could not be identified.</li> </ul> <p>Three large one-off payments were as a result of a Cabinet decision for which Cabinet reports were identified. A funding agreement is in place for one of these grants but were not identified for the remaining two.</p>		The Grant Policy/ies should be subject to EqHIAs to ensure that the Council is distributing its funds in line with its priorities, fairly and transparently.	
2.	<p><b>Grant Funding Terms and Conditions</b></p> <p>All grants should be issued with consistent grant funding terms and conditions that protects the Council adequately e.g., safeguarding, data protection etc, and allows for the right to audit and clawback of funds if not used in line with conditions or timescale. Service standards</p>	Lack of formal, clear and/or consistent service standards agreed between the Council and the recipient organisation for the delivery of commissioned services may result in the Council not being able to promptly identify performance issues and/or being unable to take required action to	A review of all grant funding terms and conditions should be undertaken as part of the wider streamlining review. Terms and conditions should be proportionate to the size/risk assessment of the grant and should be consistent regardless of grant type/source. Standard terms and	<p>● High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
Page 14	<p>/requirements should also be clearly stipulated within the grants terms and conditions to ensure the Council can identify performance issues.</p> <p>Internal Audit noted that different grant types have different terms and conditions which are set out to recipients in their funding letters. Reference is not always made to safeguarding, data protection etc (it may be set out in criteria in the guidance notes/application form, e.g., Large Sports Grant/ Leisure/ Culture Grant, Transport Provision Grant, however, it was noted that the requirements are not always consistent).</p>	<p>retrieve Council funding where poor performance is identified.</p>	<p>conditions for the grant award which should be listed on each offer letter.</p> <p>Grant payments should not be made until agreed funding terms and conditions are in place.</p> <p>Consideration should be given to forming SLA's or equivalent between the Council and community organisations for larger grants (and therefore those considered higher risk) to more formally set out the funding agreement, including roles and responsibilities, service standards/ expectations, performance indicators, monitoring, communication, legal clauses and dispute resolution etc.</p>	
3.	<p><b><u>Eligibility and Selection Process</u></b></p> <p>In order to ensure grants are awarded objectively, fairly and transparently, eligibility and award criteria should be defined, aligned to the grant policy and included in grant terms and conditions.</p> <p>Due to the lack of a central Grants Policy, this leads to definitive eligibility and award criteria not being in place which could lead to inconsistency and lack of objective assessment. This may also impact on the transparency of award decisions, especially where one-off funding is</p>	<p>Lack of a central approach/policy for Council funding may lead to associated eligibility and award criteria not being consistent, objective, fair and/or transparent and funding may not be distributed to programmes and activities that support delivery of the Council's strategy.</p> <p>Requiring different assessment and award approaches to different grants may lead to added complexities and inefficiencies in the management of the grant's programmes. Inconsistencies may also lead to lack of transparency and increased risk of</p>	<p>Should a central Grants Policy be implemented, an associated eligibility/ award criteria and due diligence/ assessment process should be developed that is proportionate to the size/risk assessment of grant award, and which is transparent and consistent.</p> <p><i>Internal Audit can provide support and advice on this.</i></p> <p>To simplify the current process and/or for future approach, consideration should be given to establishing one</p>	<p>● Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 15</p>	<p>granted historically and/or outside of the main grants' programmes.</p> <p>For the main grants' programmes (see table 1), depending on the grant, the following assessment process is undertaken:</p> <p><b>Ward Councillors:</b> individual applications are reviewed by the Community Development Officer, then counter-approved by the Director of Finance.</p> <p><b>Community Project Grant:</b> applications are reviewed and assessed by the Community Development Officer, the Communities Manager and Portfolio Holder for Communities</p> <p><b>Voluntary Organisation Support Grant:</b> applications are reviewed and assessed against grant criteria by the Community Development Officer and the Communities Manager. The results are then reviewed by a Committee of the Cabinet (Voluntary Organisation Support Grant Committee), which is a public meeting chaired by the Leader, Deputy Leader/Portfolio Holder for Housing and Health, and Portfolio Holder for Finance and Budget, who will evaluate the applications and approve the funding.</p> <p>Applications for the remaining smaller individual grants in the main grants</p>	<p>perception of lack of objectivity and fairness, resulting in reputational damage.</p>	<p>Grants panel with representation of appropriate officers/ Members to oversee the award of Council funds (with exception of Ward Councillor Funds which would require officer only approval for separation of duty purposes).</p>	

Ref.	Audit Findings	Risk	Recommendations	Priority
Page 16	<p>programme are reviewed by the Community Development Officer/Community Safety Officer (Youth Grant) in conjunction with the Communities Manager, to determine if they meet the grant criteria outlined in the Grant's guidance notes prior to approval. The Portfolio Holder is advised of the outcome.</p> <p>Furthermore, due to the variety of grants, this leads to different due diligence assessment requirements and types of supporting documentation/ match funding evidence required.</p> <p>The procedures in place for the main grants programmes are designed to allow good control over eligibility assessment and selection decision, especially where there is oversight from more than one officer, however, due to the number and variety of grants, having different approaches to assessment and award adds to the complexity of the system and could be unwieldy to manage. While it is understood that that assessment/ award and due diligence should be proportionate to the level of funding, and therefore risk to the Council, inconsistencies in approach may also impact on the perception of transparency and objectivity in the system.</p>			

Ref.	Audit Findings	Risk	Recommendations	Priority
4.	<p><b>Monitoring of Multiple Grant Receipts</b></p> <p>Due to the number and variety of grants being administered, it is difficult to conclusively determine whether grant recipients are receiving Council funds from more than one source and/or the total value. Internal Audit noted that the Community Development Officer maintains a database for the grants for which they are responsible, however, this does not include grants outside of the main programmes. While it is understood that receiving different funding streams may be appropriate, incomplete central oversight of the total value of funds received by specific organisations may be significant in aggregate and may require a different monitoring approach required i.e., the organisation may be considered higher risk as a result of total funds received.</p> <p>Conversely, due to the fragmented grants approach, there is an additional risk that organisations may be declined for a grant in one area but be successful for funding in another. While that may be legitimately due to better alignment of funding objectives, having numerous sourcing types could be confusing to applicants and may mean that organisations miss out on</p>	<p>The total value of grant funding received by community organisations may not be considered which may lead to an inappropriate monitoring approach being adopted which is not proportionate to the risk. This may mean that council money may not be spent in line with the grant terms and conditions of the grant and/or fraud/misappropriation may go undetected.</p> <p>Lack of a consistent grant award/disbursement/monitoring procedure across all grant awarding area of the Council may lead to increased risks of grants being awarded incorrectly/inappropriately and/or reputational damage to the council.</p>	<p>Consideration should be given to sharing a central grant awarding/disbursement/ monitoring procedure for use by each grant awarding area of the Council to ensure a consistent approach is adopted by all areas.</p> <p>Consideration should be given to expanding the Community Development Officer's database to include all grants awarded, which can be accessed by the grant awarding areas to ensure that combined Council funds are taken into consideration when awarding grants/ deciding the monitoring approach. This may also ensure that any issues with grant recipients can be notified to other areas who may also provide grant funding to that organisation.</p> <p>Consideration should be given to working alongside other public sector partners (such as ECC and West Essex CGG) who also distribute grant funds to ensure that the Council is aligned to these in order to reduce the bureaucracy for community organisations who are applying for several grant strands.</p>	<p style="text-align: center;">●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>funding they may be eligible for.</p> <p>Furthermore, the current grants system may be difficult for organisations to navigate, and lead to duplication of effort and information required to demonstrate their eligibility. In turn, this may preclude eligible organisations from applying for Council funds.</p>			
<p>5.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 18</p>	<p><b>Grant Monitoring</b></p> <p>In order to ensure that Council funds are being used in line with terms and conditions of the grant award, the grant-related activities of the organisation should be monitored by the Council.</p> <p><b><u>Main Grants Programme</u></b></p> <p>Internal Audit noted that those organisations which are awarded Voluntary Organisation Support Grant are required to send in monitoring reports which outline how they are meeting what they set out in their application form. It is acknowledged however that in 2020, due to the Covid 19 pandemic, a different approach was required and instead of reports, the Community Development Officer and Communities Manager instead asked for a quarterly summary of what had been achieved and what would be undertaken moving forward. In addition,</p>	<p>Grants awarded may not be spent in line with funding agreements which may result in the grant recipient not providing value for money in the delivery of its services and/or failing to achieve its objectives.</p> <p>Lack of direct monitoring may lead to failure to detect and/or deter fraud/misuse of Council funds due to lack of verification of spend, leading to financial loss and/or reputational damage to the council.</p>	<p>A risk assessment of grants awarded should be undertaken to determine the level of monitoring required, which will ensure a consistent approach across grant recipients, proportionate to the size of grant awarded and within the Council's risk appetite to provide transparency in the approach taken. This should include any one-off grants approved outside of the main grants programme.</p> <p>A programme of monitoring should then be scheduled accordingly with evidence of monitoring retained. The monitoring programme should be consistent across the grant recipients and demonstrate how the original objectives outlined in the grant application have been met.</p> <p>Where applicable and appropriate, funds should only be released on</p>	<p style="text-align: center;">●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
Page 19	<p>all the VSO recipients were met via Teams to discuss monitoring for the coming year.</p> <p>The small Sports and Leisure and Cultural Grant payments (max. £500, therefore low risk) are issued before the invoice has been received. It is understood that this has historically been because some of the groups are unable to purchase equipment until funding is received.</p> <p>Other grant types (see Table 1) should be paid on receipt of invoices although audit testing identified some occasions where funds were released prior to invoices being received.</p> <p><b><u>Cabinet Approved One Off Grants</u></b></p> <p>Fairycroft Arts and Media centre - it is understood that the Council has regular contact with the Centre and there was a review meeting in 2019. A more formal review was planned in 2020/21 but was impacted by the pandemic and the approach will be reconsidered during 2021.</p> <p>Carver Barracks – monitoring and reporting arrangements are outlined in the Funding Agreement. Internal Audit noted that at this stage of the project development, the Chief Executive and the Leader meet with the Army on a quarterly basis and this project is an agenda item;</p>		receipt of invoices for relevant grants.	

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>updates are also received as applicable. It is understood that the longstop date expired in March 2021 due to project delays, which was reported to and extended by Cabinet for a further 9 months (to 31 Dec 2021).</p>			
<p>6.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<p><b><u>Reporting and Transparency</u></b></p> <p>In line with the Local Government Transparency Code 2015, local authorities must publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either specifically identifying relevant transactions within published data on expenditure over £500 or by publishing a separate list or register.</p> <p>It is noted that the Council has published data relating to seven of its main grants' programmes, however, this has not been updated since 2018-19. Also, other grants and awards to community organisations made by other areas in the Council are not listed on this page.</p> <p>It may be beneficial in addition to the statutory transparency reporting required, for a wider report on the Council's grant funding to be produced annually to enhance the transparency and provide oversight of how Council funding to community organisations is being utilised,</p>	<p>Failure to publish data relating to grant awards may lead to breach of the Local Government Transparency Code and reputational damage.</p>	<p>The Council should publish its grants data annually in line with the Local Government Transparency Code requirements. It should be ensured that this includes all cross-Council grant awards made to community organisations.</p> <p>An annual report should be produced outlining how Council funding to community organisations is being utilised, and how this is supporting its strategic objectives. This could also include monitoring outcomes. GAP Committee may be the appropriate Committee for this to be reported to.</p>	<p style="text-align: center;">●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	and how this is supporting its strategic objectives.			

**TABLE 1: Analysis of Grants Payments/Schemes**

	Responsibility	Grant Name	Indiv. Grant Value	Budget 2020/21	Total Expenditure 2020/21	Policy/ Guidance Notes	Monitoring Requirements
<b>MAIN GRANTS PROGRAMMES</b>							
1.	Community Development Officer	Voluntary Organisation Support Grant	£1,000 to £155,000	£330,000	£325,000	Under review	Quarterly Reports
2.	Community Development Officer	Large Sports Grant	£150,000 p/a	£150,000 (£450,000 over 3 years)	£0	✓	£50k tranches will be released when adequate proof of works received
3.	Community Development Officer	Community Project Grant Scheme	Up to £3,500	£110,000	£69,000	Under review	Paid on invoice
4.	Community Development Officer	Ward Councillor's Initiative	Up to £2,000	£78,000	£81,000 <i>(variance due to c/fwd of unspent funds – not a budget overspend)</i>	✓	Paid on invoice
5.	Community Safety	Youth Grants	Up to £5,000	£51,500	£41,000	✓	Direct reporting back to YIWG by attending meetings or project visits
6.	Community Development Officer	Leisure and Cultural Grant	Up to £500	£12,250	£2,700	✓	Grant paid prior to receipt of invoice, due to groups being unable to purchase equipment until after funding is received
7.	Community Development Officer	Sports Grant	Up to £500			✓	

Page 22

	Responsibility	Grant Name	Indiv. Grant Value	Budget 2020/21	Total Expenditure 2020/21	Policy/ Guidance Notes	Monitoring Requirements
8.	Community Development Officer	Transport Provision for Young People	£400	£5,160	£65	✓	Paid on invoice
<b>CONTINGENCY</b>							
9.	Community Development Officer	Contingency VS		£1,666	See Dunmow Museum Society		Contingency Fund
<b>ANNUAL HISTORICAL GRANTS</b>							
10.	Community Development Officer	Thaxted Festival	Annual Payment £3,000	£3,000	£0 (due to Pandemic)	Unknown	Paid on receipt of invoice.
11.	Community Development Officer	Dunmow Museum Society	Annual Payment £3,500	£3,500	£3,500 (£640 - Contingency)	Unknown	Paid on receipt of org request
12.	Community Development Officer	Great Dunmow Maltings Preservation Trust	Annual Payment £4,000	£4,000	£4,000	Unknown	Update on funding from organisation
13.	AD	Thaxted Guildhall	Annual Payment c.£6,500	£6,460	£6,460	Unknown	Paid on receipt of org request
			<b>TOTAL</b>	<b>£755,536</b>	<b>£532,725</b>		

**INDIVIDUAL CABINET APPROVED GRANTS**

14.	Carver Barracks Running Track	£500,000	Cabinet approved the one-off grant in July 2017 from SIF, which was paid in full as match funding. A funding agreement was put in place between the Council and Defence Infrastructure Organisation. The Chief Executive and the Leader meet with the Army on a quarterly basis and this project is an agenda item, updates are also received as applicable. The longstop date expired in March 2021 due to project delays, which was reported to and extended by Cabinet for a further 9 months (to 31 Dec 2021).
15.	Faircroft Arts & Media Centre	£80,000	Cabinet approved the one-off grant in May 2016, which was paid in full. The Cabinet report outlined the terms and conditions of funding. The Council has regular contact with the Centre; there was a review meeting in 2019. A more formal review was planned in 2020/21 but was impacted by the pandemic and the approach will be reconsidered during 2021.
16.	Harlow College	£300,000	Cabinet approved the one-off grant in October 2017, which was paid in full in March 2018. The fund went towards the overall costs of building and equipping the new college at Stansted Airport. The Council were advised when it was completed and opened. Council received reports of the number of students from UDC attending when applications first opened for the first and second year it operated.
<b>OTHER</b>			
17.	Saffron Walden Pig Market Charity		As outlined in the Council's Annual Statement of Accounts, the Council is the sole trustee. The Charity owns a proportion of a public pay and display car park and their income is derived from this asset. The Car Park is run by the North Essex Parking Partnership on behalf of the Council and the Charity receives a 19.86% share of the net income. The Charity distributes the income it receives by way of grants to charities that work in the Saffron Walden area. The last two years grant distributions have been to Citizens Advice Bureau. The fund is subject to a separate independent examination.

### **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

### **Limitations inherent to the internal auditor's work**

Internal Audit work has been performed subject to the limitations outlined below:

#### **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

#### **Internal control**

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

#### **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

# Agenda Item 4

**Committee:** Governance, Audit and Performance Committee  
**Title:** Annual Governance Statement 2020/21  
**Report Author:** Elizabeth Brooks, Internal Audit Manager  
EBrooks@uttlesford.gov.uk

**Date:**  
Thursday, 10 June 2021

---

## Summary

1. The Council should approve a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. The Annual Governance Statement should then explain how the Council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts.

## Recommendations

2. Committee are requested to approve the Local Code of Corporate Governance 2021 and the Draft Annual Governance Statement 2020/21 for publication with the Statement of Accounts.

## Financial Implications

3. None

## Background Papers

4. None

## Impact

Communication/Consultation	The draft Annual Governance Statement 2020/21 has been prepared in consultation with the Corporate Management Team and Senior Managers
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

5. The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
6. The Council should approve a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. The Annual Governance Statement should then explain how the Council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts.
7. In line with the CIPFA/SOLACE framework, the statement should be “an open and honest self-assessment” of the Council’s performance across all of its activities and:
  - Describes the key elements of the Council's governance arrangements, covering all 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
8. Relevant staff across the organisation who are accountable for the delivery of various governance arrangements have contributed to the 2020/21 AGS.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Failure to assess the corporate governance arrangements of the Council may lead to non-compliance with Accounts and Audit Regulations	1 = Little or no likelihood Timetable is established for the preparation of the Annual Governance Statement	3 = Significant risk or impact due to statutory requirement.	The Annual Governance Statement is reviewed by GAP Committee

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

# Local Code of Corporate Governance 2021

Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Uttlesford District Council is committed to the practice of good governance; ensuring good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users.

## The Principles of Good Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business, to support the publication of an Annual Governance Statement.

The CIPFA/SOLACE guidance *Delivering Good Governance in Local Government* (2016) identified seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

These seven principles are:

- **Core Principle A** – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Core Principle B** – Ensuring openness and comprehensive stakeholder engagement
- **Core Principle C** – Defining outcomes in terms of economic, social and environmental benefits
- **Core Principle D** – Determining the interventions necessary to optimise the achievement of the intended outcomes
- **Core Principle E** – Developing the entity’s capacity, including the capability of its leadership and the individuals within it
- **Core Principle F** – Managing risks and performance through robust internal control and strong public financial management
- **Core Principle G** – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Uttlesford District Council’s (UDC) Local Code of Governance has been prepared in accordance with the CIPFA/SOLACE Guidance. The following section describes how UDC complies with each of the core principles and the supporting principles to deliver the best outcomes for the local communities it represents.

## Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

**Summary:** The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principle	Evidence
<p><b>1. Behaving with Integrity</b></p> <ul style="list-style-type: none"> <li>- Ensuring councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council.</li> <li>- Ensuring councillors take the lead in establishing specific standard operating principles or values for the Council and its staff and that these are communicated and understood. These should build on the Seven Principles of Public Life (also known as the Nolan Principles)</li> <li>- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.</li> <li>- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</li> </ul> <p><b>2. Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>- Seeking to establish, monitor and maintain the organisation’s ethical standards and performance</li> <li>- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</li> <li>- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.</li> </ul> <p><b>3. Respecting the Rule of Law</b></p> <ul style="list-style-type: none"> <li>- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Code of Conduct for Members</a></li> <li>- <a href="#">Code of Conduct for Officers (HRP 38)</a></li> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Members Registers of Interests</a></li> <li>- <a href="#">Member Registers of Gifts (listed under individual Councillors)</a></li> <li>- <a href="#">Members Gifts &amp; Hospitality Guidance</a></li> <li>- <a href="#">Officer Registers of Interests and Gifts &amp; Hospitality</a></li> <li>- <a href="#">Annual reports of GAP and Scrutiny Committee to Full Council</a></li> <li>- <a href="#">Standards Committee</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <a href="#">Equality Impact Assessments</a></li> <li>- <a href="#">Whistle blowing Policy</a></li> <li>- <a href="#">Modern Slavery Act Statement</a></li> <li>- <a href="#">Council and Cabinet Working Groups</a></li> <li>- <a href="#">Minutes detailing declarations of interests</a></li> <li>- <a href="#">Procurement Policy</a></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.</li> <li>- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>- Dealing with breaches of legal and regulatory provisions effectively</li> <li>- Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Local Government Ombudsman Report</a></li> <li>- <b>Member Induction (extensive induction programme was delivered in 2019/20)</b></li> <li>- <b>Staff U-Perform Policy (HRP 12)</b></li> <li>- <b>Job Description/Specifications</b></li> </ul>

## Core Principle B – Ensuring openness and comprehensive stakeholder engagement

**Summary:** The council is run for the public good and therefore should ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting Principle	Evidence
<p><b>1. Openness</b></p> <p>Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</p> <ul style="list-style-type: none"> <li>- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.</li> <li>- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</li> </ul> <p><b>2. Engaging comprehensively with institutional stakeholders</b></p> <ul style="list-style-type: none"> <li>- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>- Developing formal and informal partnerships to allow for resources to be used more efficiently</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Plan</a></li> <li>- <a href="#">Scrutiny</a></li> <li>- <a href="#">Minutes of Committee Meetings</a></li> <li>- <a href="#">Committee meetings open to the Public and broadcast live on Council Website</a></li> <li>- <a href="#">Public Questions at meetings</a></li> <li>- <a href="#">Petitions</a></li> <li>- <a href="#">Consultation Strategy</a></li> <li>- <a href="#">Current Consultations</a></li> <li>- <a href="#">Complaints about Councillors</a></li> <li>- <a href="#">Compliments, Suggestions and Complaints</a></li> <li>- <a href="#">Customer Charter</a></li> <li>- <a href="#">Customer Services</a> (no face to face contact in 2020/21 due to Covid 19)</li> <li>- <a href="#">Budget Book and Statement of</a></li> </ul>

Supporting Principle	Evidence
<p>and outcomes achieved more effectively</p> <ul style="list-style-type: none"> <li>- Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit</li> </ul> <p><b>3. Engaging with individual citizens and service users effectively</b></p> <ul style="list-style-type: none"> <li>- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>- Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement</li> <li>- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account</li> <li>- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>- Taking account of the impact of decisions on future generations of taxpayers and service users</li> </ul>	<p><b>Accounts (Draft only 2019/20)</b></p> <ul style="list-style-type: none"> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Scrutiny Annual Report to Full Council</a></li> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Covid 19 Information</a></li> <li>- <a href="#">Community Involvement and Engagement Strategy</a></li> <li>- <a href="#">Uttlesford Futures</a></li> <li>- <a href="#">Access to Information</a></li> <li>- Meeting Agenda publication deadlines adhered to</li> <li>- Dates of Meetings published on website in advance</li> <li>- <a href="#">Council Media and News</a></li> </ul>

### Core Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

**Summary:** The long-term nature and impact of many of the Council’s responsibilities means that it should be sustainable. Decisions should further the Council’s purpose, contribute to intended benefits and outcomes, and remain within the limits of the Council’s authority and resources. Input from all groups of stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Supporting Principle	Evidence
<p><b>1. Defining outcomes</b></p> <ul style="list-style-type: none"> <li>- Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions</li> <li>- Specifying the intended impact on, or changes for, stakeholders including citizens and service</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Plan</a></li> <li>- <a href="#">Performance Management Reporting to GAP Committee</a></li> <li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li> </ul>

Supporting Principle	Evidence
<p>users. It could be immediately or over the course of a year or longer</p> <ul style="list-style-type: none"> <li>- Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>- Identifying and managing risks to the achievement of outcomes</li> <li>- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul> <p><b>2. Sustainable economic, social and environmental benefits</b></p> <ul style="list-style-type: none"> <li>- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>- Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Service Planning Documents</b></li> <li>- <a href="#">Corporate Risk Management Strategy and Register</a></li> <li>- <a href="#">Local Development Scheme</a></li> <li>- <a href="#">Budget Book and Statement of Accounts</a> (Draft only 2019/20)</li> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>- <a href="#">Financial Regulations</a></li> <li>- <a href="#">Contract Rules</a></li> <li>- <a href="#">Internal Audit Plan</a></li> <li>- <a href="#">Treasury Management Strategy</a></li> <li>- <a href="#">Local Plan</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <b>Equality Impact Assessments</b></li> <li>- <a href="#">Climate Crisis Strategy</a></li> <li>- <a href="#">Commercial Strategy</a></li> <li>- <a href="#">Economic Development Strategy</a></li> <li>- <a href="#">Health and Wellbeing Strategy</a></li> <li>- <a href="#">Homelessness and Rough Sleeping Strategy</a></li> <li>- <a href="#">Capital Strategy</a></li> </ul>

## Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

**Summary:** The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that its desired outcomes are achieved in a way that provides the best trade-off between the various types of resource inputs, whilst still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principle	Evidence
<p><b>1. Determining interventions</b></p> <ul style="list-style-type: none"> <li>- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided</li> <li>- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li> </ul> <p><b>2. Planning interventions</b></p> <ul style="list-style-type: none"> <li>- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>- Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> <li>- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>- Ensuring capacity exists to generate the information required to review service quality regularly</li> <li>- Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</li> <li>- Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul> <p><b>3. Optimising achievement of intended outcomes</b></p>	<ul style="list-style-type: none"> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Corporate Plan</a></li> <li>- <a href="#">Corporate Risk Management Strategy and Register</a></li> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Role of Statutory Officers</a></li> <li>- <a href="#">Governance, Audit and Performance Committee</a></li> <li>- <a href="#">Code of Conduct for Members</a></li> <li>- <a href="#">Code of Conduct for Officers (HRP 38)</a></li> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Officer Scheme of Delegation</a></li> <li>- <a href="#">Protocol for relations between Members &amp; Officers</a></li> <li>- <a href="#">Compliments, Suggestions and Complaints</a></li> <li>- <a href="#">Complaints about Councillors</a></li> <li>- <a href="#">Performance Management Reporting to GAP Committee</a></li> <li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li> <li>- <a href="#">Committee Reporting timetable</a></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>-Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>- Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> <li>-Ensuring the achievement of ‘social value’ through service planning and commissioning</li> </ul>	

**Core Principle E – Developing the Council’s capacity, including the capability of its leadership and the individuals within it**

**Summary:** The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has operational capacity for its requirements, as a whole. Because both individuals and the environment in which the Council operates will change over time. There will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people of many different types of backgrounds, reflecting the structure and diversity of the communities it represents.

Supporting Principle	Evidence
<p><b>1. Developing the Council’s capacity</b></p> <ul style="list-style-type: none"> <li>- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>- Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul> <p><b>2. Developing the capability of the Council’s leadership and other individuals</b></p>	<ul style="list-style-type: none"> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Officer Scheme of Delegation</a></li> <li>- <a href="#">Protocol for relations between Members &amp; Officers</a></li> <li>- <b>Staff U-Perform Policy (HRP 12)</b></li> <li>- <b>Staff Briefings</b></li> <li>- <b>Senior Manager Meetings</b></li> <li>- <b>Staff Voice and Surveys</b></li> <li>- <b>Officer Induction Programme and Training Programme</b></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</li> <li>- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged;</li> <li>- Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> <li>- Ensuring that there are structures in place to encourage public participation</li> <li>- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>- Holding staff to account through regular performance reviews which take account of training or development needs</li> <li>- 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</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Member Training and Induction</b></li> </ul>

## Core Principle F – Managing risks and performance through robust internal control and strong public financial management

**Summary:** The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principle	Evidence
<p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>- Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul> <p><b>2. Managing performance</b></p> <ul style="list-style-type: none"> <li>- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook</li> <li>- Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (or, for a committee system) encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</li> <li>- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>- Ensuring there is consistency between specification stages (such as budgets) and post</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Risk Management Strategy and Register</a></li> <li>- <a href="#">GAP Committee Minutes</a></li> <li>- <a href="#">Scrutiny Committee Minutes</a></li> <li>- <a href="#">Committee Agendas published before deadlines</a></li> <li>- <a href="#">Internal Audit reports to GAP Committee</a></li> <li>- <a href="#">Performance Management Reporting to GAP Committee</a></li> <li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li> <li>- <a href="#">Internal and External Audit Plans to GAP Committee</a></li> <li>- <a href="#">Budget Forecast Outturn reports to Cabinet</a></li> <li>- <a href="#">Treasury Management Strategy</a></li> <li>- <a href="#">Investment Board</a></li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>- <a href="#">Access to Information</a></li> </ul>

Supporting Principle	Evidence
<p>implementation reporting (eg financial statements)</p> <p><b>3. Robust internal control</b></p> <ul style="list-style-type: none"> <li>- Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>- Evaluating and monitoring risk management and internal control on a regular basis</li> <li>- Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</li> <li>- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and; that its recommendations are listened to and acted upon</li> </ul> <p><b>4. Managing data</b></p> <ul style="list-style-type: none"> <li>- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul> <p><b>5. Strong public financial management</b></p> <ul style="list-style-type: none"> <li>- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Data Protection – Privacy Policy and web pages</a></li> </ul>

**Core Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability**

**Summary:** Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on those actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting Principle	Evidence
<p><b>1. Implementing good practice in transparency</b></p> <ul style="list-style-type: none"> <li>- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul> <p><b>2. Implementing good practice in reporting</b></p> <ul style="list-style-type: none"> <li>- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>- Ensuring members and senior management own the results reported</li> <li>- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>- Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</li> </ul> <p><b>3. Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>- Ensuring that recommendations for corrective action made by external audit are acted upon</li> <li>- 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</li> <li>- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Annual Internal Audit Report</a></li> <li>- <a href="#">External Audit Annual Audit Letter</a> (not available for 2020/21)</li> <li>- <a href="#">Budget Book and Statement of Accounts</a> (Draft only 2019/20)</li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>- <a href="#">Compliments, Suggestions and Complaints</a></li> <li>- <a href="#">Complaints about Councillors</a></li> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <a href="#">Whistle blowing Policy</a></li> <li>- <a href="#">Petitions</a></li> <li>- <a href="#">Consultation Strategy</a></li> <li>- <a href="#">Current Consultations</a></li> <li>- <a href="#">Access to Information</a></li> </ul>

# ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021

## 1. Scope of responsibility

- 1.1. Uttlesford District 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.

- 2.4. The governance framework outlined in this document has been in place at Uttlesford District Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.
- 2.5. It should be noted that from March 2020, the Council was affected by the Covid-19 pandemic and the initial impact of the outbreak of Covid-19 was emerging at the time of the completion of the 2019/20 AGS. Inevitably, the pandemic continued to affect service delivery across the organisation and the subsequent responses, actions and effects on the Council are included throughout this 2020/21 statement.

### 3. The Governance Framework

- 3.1. The Council's Governance Framework has been set up over successive years and is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance (as updated in 2016).
- 3.2. Key highlights from the Governance Framework in place at Uttlesford District 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	Uttlesford Council Key Elements 2020/21
<p><b>Principle A</b>  <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>✓ In line with Public Sector Equality Duty and to reinforce the Council's commitment to promoting equality and fairness among its local communities, staff and members, the Council approved a new <a href="#">Uttlesford Equality, Inclusion and Diversity Policy</a> in December 2020. Uttlesford District Council has adopted the Equality Framework for Local Government as its key delivery tool. The Equality Standard Working Group is responsible for the monitoring of progress and the assessment of the attainment of the various outcomes of the equality framework. The Equality Impact Assessment has been updated to include Health Questions (EqHIA) and Equalities training has been offered to all staff and Councillors at UDC.</li> <li>✓ Member Code of Conduct forms part of the Council's constitution. Code of Conduct complaints are handled by the Monitoring Officer via engagement with our Independent Persons and the Standards Committee where appropriate. During 2020, the Council has also engaged with the Local Government Association to support Member relationships.</li> <li>✓ The Council is currently engaging Member's views on training in relation to the role of the Standards Committee, Code of Conduct and the Nolan principles in guiding those in public office</li> <li>✓ HR Policies have been reviewed during 2020/21 in response to the Covid-19 pandemic to ensure that the workforce were able to work flexibly, safely and from home whenever they could.</li> <li>✓ During 2020/21, the Council's Governance Review Working Group has been looking at the governance system in place at</li> </ul>

Good Governance Principle	Utlesford Council Key Elements 2020/21
	<p>UDC (structure for decision making i.e., the Leader/Cabinet or Committee model). Recommendations from the Group are expected in July 2021.</p> <ul style="list-style-type: none"> <li>✓ The Council also commissioned the Centre for Governance and Scrutiny to conduct two short reviews during 2020/21. The first was a general review of the scrutiny function which emphasised the importance of focused scrutiny work and effective relationships between the executive and scrutiny. Separately, a review of local plan scrutiny was carried out which made recommendations about how scrutiny can add value to the process.</li> <li>✓ Declarations of Interest remain a standing item on all Committee, Cabinet and Full Council agendas.</li> <li>✓ The Council's <a href="#">Counter Fraud and Corruption Strategy</a> and Policies (refreshed in 2019) set out the Council's Fraud Response Plan, Bribery Act Policy, Prevention of Money Laundering Procedures, Whistleblowing Policy, Gifts and Hospitality Guidance, and policies for specific fraud types. The manager responsible for Counter Fraud changed during 2020, and the Strategy is due to be reviewed during 2021.</li> <li>✓ The <a href="#">annual review letter</a> from the Local Government Ombudsman and an annual summary of complaints and compliments relating to the Council's services, was presented to GAP Committee in October 2020. This information is also reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt.</li> <li>✓ GAP also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. This report was presented in September 2020.</li> <li>✓ To cover the vacancy of the Monitoring Officer, an interim arrangement has been in place since June 2020.</li> <li>✓ Ethical Investment Policy did not proceed in 2020/21 and is an action in the corporate plan delivery plan 2021/22.</li> </ul>
<p><b>Principle B</b>  <b>Ensuring openness and comprehensive stakeholder engagement</b></p>	<ul style="list-style-type: none"> <li>✓ The Council publishes information in line with Local Government Transparency Code 2015, including: <ul style="list-style-type: none"> <li>• <a href="#">Business Rates Transparency Information 2020</a></li> <li>• <a href="#">Councillor Allowances</a></li> <li>• <a href="#">Decision Records and Notices</a></li> <li>• <a href="#">Expenditure Data</a></li> </ul> </li> <li>✓ The Council sets out its <a href="#">Access to Information</a> policy on its website.</li> <li>✓ Comprehensive information relating to the <a href="#">Council's Finance and Accounts</a>, including Statement of Accounts, Budget</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>2021/22, Fees and Charges 2021/22, Spend over £250, Council Investments etc. is available online.</p> <ul style="list-style-type: none"> <li>✓ As a result of Covid 19, the Council moved to remote meetings in 2020/21 as provided for by The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.</li> <li>✓ Council Cabinet and Committee meetings are open to the public via Zoom and guidance on attending and speaking at public meetings is available online. As speaking rules differ for a number of meetings, specific instructions are provided in the agenda papers for each public meeting.</li> <li>✓ The Modgov system is used by the Council to ensure that timely reports are submitted, approved, published and distributed to ensure Member's information needs and relevant statutory deadlines are met.</li> <li>✓ A full record of decisions made in and supporting material presented to Committees, Cabinet and Full Council is published online.</li> <li>✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are issued in advance/made available online as appropriate.</li> <li>✓ Covid 19 urgent decisions were taken by the Leader of the Council and the Director of Finance &amp; Corporate Services (Section 151 Officer) to administer the expanded business rate reliefs and emergency grant schemes under the legislation: 'Local Authorities use their discretionary relief powers under S47 of the Local Government Finance Act 1988 (as amended) to administer the following financial support to local businesses'. All decisions applied under these powers were published online along with the associated reports giving full details of the reliefs and grants.</li> <li>✓ Following receipt of a letter from the Inspectors examining the Local Plan, the Council withdrew the plan from examination following a meeting of Full Council on 30 April 2020. The Council started work on a new Local Plan during Summer 2020 which involved setting up the governance arrangements in the form of Local Plan Leadership Group and Scrutiny Committee's consideration of the process, as well as the consultation arrangements in the form of an updated <a href="#">Statement of Community Involvement</a> and new <a href="#">Consultation and Engagement Strategy</a>. Consultation on the first stage of the Local Plan commenced in Autumn 2020 and concluded in April 2021. This innovative consultation took the form of asking the public and other stakeholders' views on 9 different themes, a <a href="#">Community Stakeholder Forum</a> introduced each theme with a discussion around the topic. This format was intended to be accessible and</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>allow consultees who do not normally get involved in the planning system do so more easily. It also allowed the public and others to input into the plan on the issues to be addressed through the plan, at an early stage.</p>
<p><b>Principle C</b>  <b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p>	<p>✓ In July 2020 <a href="#">Stansted Airport Ltd appealed</a> against the Council's refusal of its planning application for infrastructure and increased passenger throughput. In accordance with the Council's scheme of delegation, officers instructed leading counsel to act for the LPA. Expert witnesses were engaged to advise on the matters that were cited in the resolution of the Planning Committee in its meeting on 24 January 2020 and in the decision notice: concerns about air quality, noise and carbon emissions, informing the Statement of Case submitted prior to the Inquiry. The SoC stated that the Council would present expert evidence that the appeal should be dismissed unless the Panel of Inspectors were satisfied that a planning condition or conditions could ensure that the effects of concern to the LPA would remain within both existing policy and statutory thresholds and more stringent thresholds likely to be introduced by 2033. The hearing sessions closed on 12 March. In its closing submissions the LPA reiterated the position set out in its SoC. STAL argued that the condition sought was unnecessary, and submitted a claim for its costs, based on this and other allegations of unreasonable behaviour. The claim was robustly rebutted by leading counsel in written submissions following the close of the hearings. The main parties also responded to an invitation by the Inspectors post hearings to address the implications of the Government announcing, on 20 April 2021, two firm commitments in relation to the reduction of carbon emissions: the Government will target a reduction in carbon emissions of 78% by 2035 compared to 1990 levels and; the 6th Carbon Budget will incorporate the UK's share of international aviation and shipping emissions (IAS). The Inspectors' decisions on the appeal and the costs claim were received on 26 May 2021. The appeal has been allowed and STAL's costs in full have been awarded against the Council. The Council is currently reviewing the decision and any potential further actions that may be available to it.</p> <p>✓ The Council approved a <a href="#">Climate Change Strategy</a> in February 2021 to sets a clear direction for tackling climate change and its key priorities.</p> <p>✓ A summary of the potential issues and risks facing the Council with regard to <a href="#">EU Exit</a> was presented to GAP Committee in October 2020. UDC is a member of the Essex Resilience Forum (ERF), through which pan-Essex issues relating to EU Exit are discussed. The Council's Chief Executive sits on the ERF Board as the district Council lead. The Council has been</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>giving consideration to the issue of EU Exit since Summer 2018, initially focusing on issues arising in connection with the importation of foods of animal origin through the Border Control Point (BCP) at Stansted Airport.</p> <p>✓ <a href="#">Uttlesford Norse</a> is joint Venture between UDC and the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services, which became fully operational on the 1 April 2020. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.</p> <p>✓ The <a href="#">Health and Wellbeing strategy</a> is in place and partner agencies deliver projects under the priorities that have been identified. Throughout the Covid 19 pandemic the <a href="#">Uttlesford Health and Wellbeing Board</a> have met virtually to discuss the projects that have been able to be delivered whilst keeping a watchful brief on any immerging health issues for the district. There is continued representation on the County Wide Health and Wellbeing Board and the Essex Health Protection Board officer's meetings. The strategy is due to be renewed in 2021/22.</p> <p>✓ <a href="#">Uttlesford Community Safety Partnership</a> has produced a Strategic assessment for the District which has informed the Delivery Plan for the coming year. The Partnership meets on a quarterly basis to review the plan and to ensure that the priorities are being met. There is a rotating partnership chairperson, voted in on an annual basis to ensure all statutory partners take responsibility. The Chair for the coming year is from the probation service; the opportunity has also been taken to refresh the TOR. Links are strong with the police through their tasking process and with County Wide Community Safety colleagues through the Essex Community Safety Network. There is also attendance at Safer Essex and strong links with the OFPCC allowing the Council to have both a County and District wide view of immerging issues. PREVENT training has taken place for all UDC employees.</p> <p>✓ <a href="#">Safeguarding</a> training has taken place for all employees at UDC and the safeguarding policy has been updated to reflect current legislation. Strong links are in place with both the adult and children's safeguarding boards. Safeguarding officer links with the licensing department to ensure safeguarding regulations for taxi drivers is adhered to.</p> <p>✓ The <a href="#">Children's and Families Group</a> is linked to the Children's Partnership Board at County level. The TOR has been updated to include the facilitation of the Children's Wellbeing Service (Virgin Care) Board meeting, as many of the partners are involved in both meetings. A delivery plan with the identified priorities focusses the work of the group. A working group has</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>been established to focus on data collection and analysis for the wider group.</p> <p>✓ The Council carries out <a href="#">equality and health impact assessments</a> on its services, policies, functions, strategies and procedures to ensure the Council does not discriminate in the way it provides services and employment and that, where possible, it does all it can to promote equality and good relations for the community and various minority groups. Assessments accompany key decisions and many can be found on the Council's committee system.</p>
<p><b>Principle D</b>  <b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<p>✓ The Council's <a href="#">Medium-Term Financial Strategy (MTFS)</a> sets out the predicted financial position for the next 5 years 2020 - 2025; this was approved by Council in February 2020. Covid 19 impacted significantly on the Council's financial position and a complete review of the MTFS was carried out in October and included the new Commercial Investments, plus support for the Climate Change agenda and the Economic Recovery Plan. The revised MTFS (2021 – 2026) was approved by Council in December 2020.</p> <p>✓ Business rates expanded reliefs and the emergency grants provided by the Government to support businesses and organisations during the pandemic were approved as urgent decisions by the Leader of the Council and the Section 151 Officer. This enabled officers to distribute the funds to support the local economy in line with the Government guidance; the committee timetable did not allow for these to be approved through the normal process.</p> <p>✓ The MTFS and annual budgets for the General Fund, Capital Programme and Housing Revenue Account along with the associated Strategies for Investments, Capital and Treasury Management are reviewed by Scrutiny Committee prior to approval by Council in February 2021. The Financial position and predicted outturn, for the Capital and Revenue net expenditure is reported to Cabinet on a quarterly basis.</p> <p>✓ The following <a href="#">Cabinet Working Groups</a> were set up by the Cabinet in 2020/21 to gather information and advise on various matters of importance in the district, including:</p> <ul style="list-style-type: none"> <li>• Governance Board for Garden Communities</li> <li>• Housing Board</li> <li>• Investment Board</li> <li>• Museum Management Working Group</li> <li>• Local Plan Leadership Group</li> </ul> <p>✓ The <a href="#">Highways Panel</a> is made up of members of Uttlesford District Council and Essex County Council and is responsible for making recommendations and setting priorities for highway</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>schemes in the areas.</p> <p>✓ Following receipt of a letter from the Inspectors examining the Local Plan, the Council withdrew the plan from examination following a meeting of Full Council on 30 April 2020. The Council started work on a new Local Plan during Summer 2020 which involved setting up the governance arrangements in the form of Local Plan Leadership Group and Scrutiny Committee's consideration of the process, as well as the consultation arrangements in the form of an updated <a href="#">Statement of Community Involvement</a> and new <a href="#">Consultation and Engagement Strategy</a>. Consultation on the first stage of the Local Plan commenced in Autumn 2020 and concluded in April 2021. This innovative consultation took the form of asking the public and other stakeholders' views on 9 different themes, a <a href="#">Community Stakeholder Forum</a> introduced each theme with a discussion around the topic. This format was intended to be accessible and allow consultees who do not normally get involved in the planning system do so more easily. It also allowed the public and others to input into the plan on the issues to be addressed through the plan, at an early stage.</p> <p>✓ <a href="#">Corporate Plan Delivery Plan</a> - Cabinet were due to approve the CPDP 2020/21 at their April 2020 meeting, which was cancelled due to the outbreak of Covid 19. It was revised in light of the evolving public health emergency and limitation to essential spend only, and was approved by Cabinet in May 2020, having also been considered by the Scrutiny Committee. The CPDP was further updated due to the subsequent ongoing public health emergency and a revised version was approved by Cabinet in October 2020, having been reviewed again by Scrutiny Committee. This revised version reflected the reduced financial uncertainty arising from the Covid19 pandemic and allocation of funding to two significant corporate projects: climate crisis action plan and the economic recovery plan. Quarterly reporting was not possible during 2020/21 due to the constraints on resources but a final review of progress and achievements against the CPDP was considered by Cabinet at their meeting in March 2021.</p> <p>✓ <a href="#">PIs / Covid PIs</a> - In addition to UDC's existing corpus of quarterly performance indicators, a new set of PIs (termed Covid-19 PIs) were introduced in light of the Covid-19 pandemic in April 2020 to monitor how the pandemic had affected service delivery, and more broadly, how services were performing during the current circumstances. Indicators were selected by considering which aspects of service delivery were potentially going to be particularly affected by the pandemic. Some Covid-19 PIs were already being monitored within normal quarterly reporting, however their inclusion as Covid-19 PIs involved more frequent weekly or monthly monitoring. This regular review has</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>enabled the identification of additional factors affecting performance. Weekly reports are prepared for UDC's Gold Command, and six data reports have also been presented to Governance, Audit &amp; Performance Committee for review. The corpus of Covid-19 PIs has also been reviewed by the Performance Team on a quarterly basis to ensure their ongoing efficiency and effectiveness in presenting informative data relating to service delivery. Whilst year-on-year comparisons do in some instances indicate a longer-term reduction in service performance during the pandemic (e.g., in collection of NNDR), Covid-19 PI data does attest that services overall have performed well throughout the 2020/21 year despite the difficult circumstances and pressure on resources.</p> <ul style="list-style-type: none"> <li>✓ The Community Response Hub was set up to ensure residents had a point of contact throughout the Covid 19 pandemic. Working in partnership with the Council for Voluntary Services Uttlesford (CVSU) and Volunteer Uttlesford, the Council offered help with shopping, GP appointments, prescription deliveries etc. Shielding data for the District was received on a weekly basis from central government and acted upon accordingly. Weekly SITREPs (Situation Reports) were held at a County Level with Essex County Council and also with the NHS. Internal SITREPs were also established on a weekly basis. The Hub continues to help local residents and has strong links with the Essex Wellbeing Service.</li> <li>✓ <a href="#">Uttlesford Economic Recovery Plan</a> was approved by Council in December 2020. The Plan was developed in response to the economic impact of Covid 19 and sets out the planned expenditure of £1m over three years to assist with recovery across four areas of focus: Business support; Information, advice and guidance (to individuals as well as businesses); Skills and training; and Job creation. In addition to making its own budget provision for economic recovery, the Council working with other authorities across mid and north Essex through an Economic Board, has pooled a proportion of the discretionary Additional Restrictions Grant government support to fund complementary initiatives procured on behalf of the six authorities. The Council is represented on NEEB by the Portfolio Holder for Economic and Corporate strategy.</li> <li>✓ An annual update on the <a href="#">Uttlesford Leisure PFI contract</a> for the 2020/21 financial year was presented to GAP Committee in February 2021. It provided a summary of the history, structure and governance of the contract, as well as an overview of how the Covid-19 pandemic has affected the Uttlesford Leisure Centres and the future landscape of the Uttlesford Leisure PFI contract, considering the challenges for the 2021/22 year and the remaining concession years.</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>✓ In October 2020 the Armed Forces Covenant Fund Trust (AFCFT) formally withdraw a grant to Debden Village Hall Trust (DVHT) for the establishment of a new village hall. The decision was based on the lack of progress since the grant was awarded some years earlier. The grant was originally paid to Uttlesford District Council, who erroneously paid it in full to DVHT. Discussions are ongoing with the AFCFT to establish arrangements for recovery of the grant from DVHT.</p> <p>✓ In February 2021, GAP Committee requested that Internal Audit undertake a review of the Council's governance arrangements for grants to community organisations. The outcome of this report was presented to GAP in June 2021.</p>
<p><b>Principle E</b>  <b>Developing the Council's capacity, including the capability of its leadership and the individuals within it</b></p>	<p>✓ The Council enabled approx. 70% of their staff to work from home during the Covid 19 pandemic and for those who were unable, appropriate Covid-19 safety measures were put in place, including shielding and redeploying vulnerable staff. No staff were furloughed. This enabled the Council to not only respond to the extra challenges that the pandemic brought about but was also able to deliver the 'business as usual' services to our residents, whilst ensuring our staff remained safe and mitigating the risk of spreading the virus at work and in the community.</p> <p>✓ The Council has undertaken two staff surveys during the year and held corporate and local Staff Voice sessions so that the impact of the pandemic on our staff can be evaluated and appropriate action plans devised.</p> <p>✓ The Council's individual performance review system is known as U-Perform. It is an ongoing process of discussion and feedback between manager and employees. It enables managers to monitor employee performance and deal with any concerns or issues the employee may be facing. It is also an opportunity to recognise an employee's efforts and support personal development and career aspirations and future plans regarding work. U-Perform outcomes are also used to determine whether an employee moves to the next spinal column within their grade and receive a salary increase (until they reach the top of their grade). The process is overseen and moderated by the Chief Executive and Directors.</p> <p>✓ A 'Listening Event' was held for the Community in March 2021 to look at any barriers that may exist due to Race and to allow ideas and discussion around how as a District Council we could work better with our residents. These events will continue to cover all protected characteristics. An independent oversight group has been initiated to have an overview of the equalities work undertaken by UDC and to comment and advise where necessary. An initial staff network group will be held in May 2021 to help ensure that Equalities is embedded throughout the organisation and that all staff have a voice.</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>✓ The Council participates in a number of partnerships including: <a href="#">Local Strategic Partnership (LSP) – Uttlesford Futures</a>, <a href="#">Community Safety Partnership</a>, North Essex Parking Partnership</p>
<p><b>Principle F</b>  <b>Managing risks and performance through robust internal control and strong financial management</b></p>	<p>✓ The Council responded to the initial Covid-19 emergency by implementing a Gold, Silver and Bronze command structure in line with the Civil Contingencies Act 2004 Framework and engaging with the Essex Resilience Forum. A lessons learned exercise was undertaken following the initial emergency and during 2020/21, the Council updated its <a href="#">Emergency Planning Response, Framework and Policy</a> in November 2020 which was further updated in January 2021 following a validation exercise. The purpose of the plan is to provide procedures and guidance to enable the Council to effectively respond to and recover from an emergency event. A training programme is also developed to ensure that officers who have a response role understand what is required of them.</p> <p>✓ In alignment with UDC's <a href="#">Risk Management Policy</a>, the 2020/21 <a href="#">Corporate Risk Register</a> was refreshed by the Corporate Management Team, and risk wording redrafted in light of the Covid 19 pandemic. Whilst this review did not involve the introduction of any new corporate risks, each risk was also reviewed by considering if previously identified current controls and further actions still remained the same. Risks scores were also revisited. This update was presented to Governance, Audit &amp; Performance Committee in November 2020, and the update was noted by the Committee. The 2021/22 Corporate Risk Register will be reviewed by Governance, Audit &amp; Performance Committee in June 2021.</p> <p>✓ The management for Internal Audit and Counter Fraud changed in November 2020, with the role subsequently being shared between Chelmsford City Council and Uttlesford District Council, with the Audit Manager providing 18 hours per week to UDC.</p> <p>✓ The Council took part in the mandatory 2020/21 Cabinet Office data matching NFI Exercise to prevent and detect fraud. In addition, in 2020/21, to assess and identify the level of fraud and error in Covid 19 Grant schemes, the Council have also utilised Spotlight &amp; NFI tools in line with Government guidance for pre and post payment assurance. The Council's arrangements for Covid 19 Grants and Loans will be subject to Internal Audit review in 2021.</p> <p>✓ The Council conforms to the governance requirements of the 2016 CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The current year accounts have been managed and prepared in line with the updated standards and principles set out in the CIPFA financial management standards.</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>✓ Assistant Director of Resources makes regular reports to Cabinet of financial position, budget setting and monitoring medium term forecasts the annual report and statement of accounts and any other financial matters. CMT also review quarterly.</p> <p>✓ Cyber Security – the Council were able to mobilise staff at the onset of the Covid-19 pandemic and manage and maintain the same level of IT access for staff while remote working was adopted. In the lead up to the pandemic, IT had already begun implementing Microsoft cloud solutions to allow for a more flexible and modern ways of working. During the pandemic, IT were able to focus efforts on pursuing their rollout. IT have monitored and implemented security policies to ensure the protection of Council property and data as each of these new systems have come onboard. UDC IT are in the process of raising a project to look at broadening the use of this Council-wide and ensure the correct security measures are maintained and improved where necessary. Despite the changes in the way the Council has worked during the pandemic and possibly for the future, IT have been able continue achieving the high levels of cyber security as supported by various accreditations achieved and continue to maintain, including PSN.</p> <p>✓ The <a href="#">Information Governance Annual Report</a> was presented to GAP Committee in September 2020, which provided assurance with regards to Data Protection and Information Governance matters. Positive steps had been taken by the Council following the introduction of the Data Protection Act 2018 specific areas for improvements were identified.</p> <p>✓ The <a href="#">Investment Board</a> has 11 Councillors plus 2 independent members and met 3 times in 2020/21 recommending 7 investment opportunities to Cabinet. Of those, for various reasons, three did not proceed. In December 2020 the Board received the first version of the ‘quarterly’ valuation report for the portfolio, some amendments were requested to the format and these are being incorporated into the end of year valuation report.</p> <p>✓ Covid 19 impacted significantly on the Council’s financial position and a complete review of the MTFS was carried out in October and included the new Commercial Investments, plus support for the Climate Change agenda and the Economic Recovery Plan. The revised MTFS was approved by Council in December 2020.</p> <p>✓ <a href="#">Treasury Management Practices</a> and <a href="#">Financial Regulations and Contract Procedure Rules</a> were approved by Council in April 2020.</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
<p><b>Principle G</b>  <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>✓ As detailed above and in the Local Code of Corporate Governance, a vast array of information is accessible to the general public via the Council's <a href="#">website</a>.</li> <li>✓ The AGS is presented to the Leader and Chief Executive, approved by GAP and published alongside Statement of Accounts.</li> <li>✓ Annual reports summarising the work of GAP Committee and Scrutiny Committee were presented to Council in April 2020.</li> <li>✓ GAP Committee receives annually the Local Government Ombudsman's Annual Review Letter. At the same time, the committee receives an annual summary of complaints and compliments received by the Council. This report went to the October 2020 Committee meeting.</li> <li>✓ GAP also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. This report was presented in September 2020.</li> </ul>

#### 4. Review of effectiveness

4.1. 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 Corporate Management Team who have responsibility for the development and maintenance of the governance environment
- the work of Cabinet and the Committees, including the Governance, Audit and Performance Committee and Scrutiny Committee
- the Internal Audit Annual Report
- comments made by the external auditors and other inspection agencies

4.2. 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 should conform to Public Sector Internal Audit Standards
- An **embedded reporting system for internal audit issues** also that ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the GAP Committee.
- A **comprehensive risk management process** which ensures the Corporate Risks across the Council are captured and reported to Corporate Management Team and Members.
- A **comprehensive budget monitoring process** that is reported monthly to budget holders, quarterly to CMT and six-monthly to Cabinet.

4.3. The outcome of the review is presented in 4.7 below, which detail areas for improvement during 2021/22.

#### 4.4. Effectiveness of Other Organisations

**Uttlesford Norse** is joint Venture between UDC and the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services, which became fully operational on the 1 April 2020. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK. Uttlesford Norse governance arrangements are subject to an internal audit review in 2021.

**Uttlesford Leisure PFI** - on behalf of UDC, 1Life Management Solutions Limited operate three leisure centres under the Uttlesford Leisure PFI Contract: Lord Butler Leisure Centre; Great Dunmow Leisure Centre and Mountfitchet Romeera Leisure Centre. The authority finances the PFI agreement through a Unitary Charge which is paid to the Project Company (Linteum Uttlesford Limited) in monthly instalments throughout the duration of the contract. An annual update on the contract for 2020/21 was presented to GAP Committee in February 2021. It provided a summary of the history, structure and governance of the contract, as well as an overview of how the Covid-19 pandemic has affected the Uttlesford Leisure Centres and the future landscape of the Uttlesford Leisure PFI contract, considering the challenges for the 2021/22 year and the remaining concession years.

**North Essex Parking Partnership** – The Council is a member of the North Essex Parking Partnership, which was formed with Colchester Borough Council, Braintree District Council, Epping Forest District Council, Harlow District Council and Tendring District Council with effect from the 1st April 2011. The Partnership is governed by a Joint Committee, on which each partner Council has a representative. The Joint Committee produces its own accounts which summarise the surplus/deficit for each year as well as the reserves held at each year-end. NEPP governance arrangements are subject to an internal audit review in 2021.

#### 4.5. Internal Audit Opinion

In giving an opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the organisation is reasonable assurance there are no major weaknesses in the Council's risk management, control and governance processes.

In forming the opinion for 2020/21, the Audit Manager has had to take into account various factors, such as the impact of resourcing changes during the year on full plan delivery, the impact of Covid 19 and limitations of historical knowledge prior to November 2020. However, on balance, whilst these factors must be taken into account when placing reliance on the opinion below, based solely on the internal audit work undertaken for the year ended 31st March 2021, it is the Audit Manager's opinion that overall, the Council's systems for control, risk and governance are generally adequate with some improvements required. 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.

#### 4.6. External Audit and Inspectorates

BDO were provided with information that has relevance to their consideration of the Council's 2019/20 Annual Governance Statement and arrangements for use of resources (UoR). This is being investigated by a third party and once that has concluded an Uttlesford District Council investigation will be undertaken. This will be outsourced to a firm of lawyers with experience in this type of allegation. Until the whole process has concluded, the Council understands that BDO will be unable to issue their opinion on the 2019/20 Statement of Accounts (because the opinion includes reference to the Annual Governance Statement) or conclusion on the Council's arrangements for use of resources. These issues could impact on the 2020/21 audit sign-off as BDO cannot complete 2020/21 until the 2019/20 issue has been resolved and the auditor's opinion for that year concluded and reported to the Council.

On 30 November 2020 the Section 151 Officer presented a report to Members setting out the revised draft accounts following the external audit ([Link to the GAP report](#)). His comments were: *"This report is written by the Director of Finance and Corporate Services who is the designated Section 151 Officer. Whilst the report has been shared with BDO they have had no input into it and the report must therefore be read in that context. Whilst no material issues, in respect of the financial element of the 2019/20 audit have been identified, the external auditors (BDO) have been unable to sign off the accounts due to concerns around an internal investigation and the impact that may have on the Annual Governance Statement, which forms part of the accounts pack. In summary, there have been two financial errors identified, totalling £125,000 which have been corrected in the revised draft (by comparison, in 2018/19 there were two errors, totalling £2.148m). In addition, there have been twelve narrative and formatting changes plus rounding and casting corrections to ensure consistency throughout the document. It is evident from the above that, in the view of the Section 151 Officer, the 2019/20 financial audit has achieved a better outcome than the 2018/19 one. The 2018/19 audit achieved an 'unmodified audit opinion', which is a new audit term for unqualified."*

#### 4.7. Areas for improvement or monitoring during 2021/22:

Key improvement/ review area	Action to be taken in 2021/22	Responsible Officer
To ensure that the Council aligns effectively and efficiently with the Fighting Fraud and Corruption Locally Framework 2020.	Undertake a review of the Council's Counter Fraud Strategy and the framework for managing the risk of fraud.	Audit Manager
Implementation of recommendations from the Governance Review Working Group.	Review action plan from Governance Review Working Group	Democratic Services Manager

Key improvement/ review area	Action to be taken in 2021/22	Responsible Officer
Financial Management Code	To complete a self-assessment against standards in the Code, develop action plan for any improvements identified and agree with Management before reporting results to Members.	Assistant Director - Resources
Governance Arrangements relating to the Uttlesford Moving Forward Programme	To consider the governance arrangements of the Uttlesford Moving Forward Programme and any impact on the Council's control framework.	Chief Executive
Member Training and Induction	Resume training for Members, including in relation to the role of the Standards Committee, Code of Conduct and the Nolan principles in guiding those in public office.	Monitoring Officer

## 5. 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

Signed.....

Chief Executive

Date: 2021