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# Annual Governance Statement

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2023/24

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Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

## **Annual Governance Statement** **2023/24**

### **1. SCOPE OF RESPONSIBILITY**

- 1.1 Ribble Valley Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk and for dealing with issues which arise.
- 1.3 The Council has approved and adopted a Local Code of Corporate Governance, which is reviewed annually and is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). A copy of the Local Code is on our website.
- 1.4 This statement explains how the Council has complied with the Local Code and how it meets the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.
- 1.5 The Council's annual review of the effectiveness of its corporate governance for 2023/24 provides assurance on the governance arrangements in place, the progress made against significant governance issues raised at the last annual review and includes an action plan to address significant governance issues identified through this year's review.

### **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1. The governance framework comprises the systems and processes, culture, and values by which the Council is directed and controlled, and its activities through which it accounts to, engages with, and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3. The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the statement of accounts.

### **3. THE GOVERNANCE FRAMEWORK**

- 3.1. The Local Code of Corporate Governance is structured across the seven principles detailed in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). The governance framework review below has followed this same format.

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

### ***Behaving with Integrity***

- 3.2. The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to local people. The Constitution is published on the Council's website and is reviewed annually.
- 3.3. Included in the Constitution are the responsibilities for decision-making, terms of reference for Committees, and a protocol for Member/ Officer Relations. The Council has a Scheme of Delegation to Officers within its Constitution which clearly details several specific areas that are delegated to officers for the purposes of decision-making, without the requirement for a decision to be made by the Council, a committee or sub-Committee.
- 3.4. The standards of ethical behaviour expected from members and staff are defined in Codes of Conduct for both Officers and Members. All Councillors must register and declare certain pecuniary interests such as employment, land holdings and contracts with the Council on an annual basis, and these are published on the Council's website. Councillors must also declare any relevant such interests at meetings which they attend, this is recorded in minutes and published on the Council's website. Officers must declare their interests in accordance with the Code of Conduct for Officers and the Council's policy for employees registering their personal / business interests. There are procedures laid down for staff and Councillors relating to the receipt of gifts and hospitality, and the recording of such.
- 3.5. The procedures for the public to follow to register a complaint regarding the deliverance of the Council's services or a breach of the Member's Code of Conduct is detailed on the Council's website. The Council's Accounts and Audit Committee is responsible for promoting and maintaining high standards of Councillor conduct.
- 3.6. The Council is committed to the highest possible standards of openness, integrity and accountability. In line with this commitment, a whistleblowing policy has been adopted to encourage employees and others with serious concerns to come forward in confidence. The Head of Legal and Democratic Services in their capacity, as Monitoring Officer, has overall responsibility for the maintenance and operation of this policy. They maintain a record of concerns raised and the outcomes and report as necessary to the Council's Accounts and Audit Committee, being the committee charged with oversight of the governance arrangements at the Council.
- 3.7. The Council's Counter Fraud, Bribery and Corruption Policy Statement & Strategy and Anti-Money Laundering Policy are key components of the Council's corporate governance arrangements. The policies are reviewed on an annual basis and is applicable to all members, employees, suppliers, and contractors of the Council. The policies reinforce the Council's zero-tolerance approach to unethical behaviour. At the heart of these policies is the requirement for all relevant parties to act with integrity.
- 3.8. Several policies were reviewed and updated throughout 2023/24, following previous delays due to the impact of the Covid-19 pandemic on resources. Many policy documents, although still applicable, still require formal review and ratification. As is the case with all policies, it is recognised that the decisions of Committees have primacy over any policy.

### ***Demonstrating Strong Commitment to Ethical Values***

- 3.9. Under its terms of reference, the Accounts and Audit Committee champions high standards of ethical governance from elected members and the Council as a whole. Ethical awareness and Code of Conduct training is included in all new Member induction processes.

3.10. In 2020 the Local Government Association (LGA) reviewed the 'Model Councillor Code of Conduct' which is designed to protect Councillors' democratic roles, encourage good conduct and safeguard the public's trust in local government. The Localism Act 2011 requires Councils to produce a Code of Conduct. The Council adopted the Councillor Code of Conduct based on the LGA requirements relating to the seven core principles of public life set out in law; selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Code sets out the standards of conduct expected of Ribble Valley Councillors, including why and how to register and declare financial and other interests, including gifts and hospitality.

3.11. Procurement activity is undertaken in line with the Council's Contract Procedure Rules and Financial Regulations, with any requirements to seek exemption reported to, or requested from, the relevant service committee through submission of a report. Ethical requirements are expressed through procurement activity in the form of contract documents and standard terms and conditions of purchase.

### ***Respecting the Rule of Law***

3.12. The Council has designated the Head of Legal and Democratic Services as the Monitoring Officer. They have the specific duty to ensure that the Council, its Officers, and its Elected Members maintain the highest standard of conduct in all they do and as such holds four main roles:

- to report on matters they believe are, or are likely to be, illegal or amount to maladministration;
- to be responsible for matters relating to the conduct of Councillors and Officers; and
- to be responsible for the operation of the Council's Constitution.
- To report any unlawful decision making and maladministration.

3.13. The Council's Chief Executive, in the statutory role of Head of Paid Service is responsible for:

- the manner in which the discharge by the Council of their different functions is coordinated.
- the number and grades of staff required by the Council for the discharge of their functions;
- the organisation of the Council's staff; and
- the appointment and proper management of the Council's staff.

3.14. Section 151 of the Local Government Act 1972 requires local authorities make arrangements for the proper administration of their financial affairs and appoint a s151 Officer. The Director of Resources is the Council's appointed s151 Officer, Chief Financial Officer and Deputy Chief Executive. In January 2024 the Director of Resources / Deputy Chief Executive was asked to act up and temporarily undertake the extra duties of Chief Executive Officer, 2½ days per week, alongside her existing role.

3.15. The Council currently have two independent persons and so is compliant with Localism Act 2011. One post of independent person remains vacant and will be recruited to in the following year.

3.16. Committee reports include a section in respect of legal implications of committee decisions. Input from the legal team is sought in the completion of this section where relevant.

## **Principle B - Ensuring openness and comprehensive stakeholder engagement**

### ***Openness***

3.17. Council meetings are open to the public, other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded. A set timetable is in place for Committee meetings, with each meeting preceded by a briefing between key officers, committee chairs and vice-chairs. Each meeting also includes public participation with an opportunity to speak regarding items on the agenda. Debate and discussion on issues is actively encouraged at

committee meetings and reflected in the minutes. The Council have a call-in procedure for any decisions, which allows for further scrutiny. All decisions of the Council are made in accordance with principles laid down in the Constitution.

- 3.18. The Council utilises its website to provide an open culture with access to meeting agendas, reports, and minutes. All reports follow a format that is consistent across all committees and where a decision is needed, members are provided with the necessary information. To enhance the current reporting style and standardise reporting practices, report writing training will be delivered to Officers in 2024/25.
- 3.19. The Council is committed to publishing information freely and to develop further our culture of openness and transparency. Information is published in accordance with the Local Government Transparency Code. The Council's Freedom of Information Publication Scheme provides a general guide for the public in terms of what information should routinely be available to them by either accessing our website or upon request. At the time of writing, data is being updated to ensure full compliance with the Code.

### ***Engaging Comprehensively with Institutional Stakeholders***

- 3.20. Partnership working is important, and the Council has in place a wide range of arrangements with local groups and works closely with other local authorities across Lancashire. The Council does not have any formal partnerships in place such as Public Finance Initiatives, Public/Private Partnerships or Joint Ventures.
- 3.21. The Council's Communication Strategy outlines how the Council will manage communications and keep its stakeholders informed about the authority's policies, activities, and events. The strategy outlines the communication channels the Council will use to communicate clear and consistent information that meets the needs of its residents and stakeholders. The strategy is expected to be reviewed in 2024/25.
- 3.22. In November 2023, the Lancashire Combined County Authority (CCA) was formed following the approval of the Devolution Deal. The agreement is aimed at providing overall vision, leadership, seeking the best value for taxpayers' money and accountability to Lancashire residents. Although the CCA is comprised predominantly of Lancashire County Council and the two Unitary Councils, two district authorities will act as non-constituent members; representing the interests of the twelve district authorities. Ribble Valley Borough Council will continue to work collaboratively with the CCA to deliver the best outcomes for the borough. The deal is subject to local consultation, ratification by the constituent councils, and parliamentary approval of the secondary legislation implementing the provisions of the deal.

### ***Engaging Stakeholders Effectively, Including Individual Citizens and Service Users***

- 3.23. Consultations are arranged on an ad-hoc basis as and when required and, if necessary, expertise will be procured from external providers.
- 3.24. Digital communication remains a key communication method, and the Council makes good use of its website and social media platforms (Facebook, Twitter, and Instagram) to communicate and engage with residents.
- 3.25. The Council continues to develop its online 'People's Panel' that is representative of the population of the borough. The panel enables residents and relevant stakeholders to have their say in shaping local services. Resident feedback helps inform decision-making, development of Council policies and strategies and identify where service improvements may be required.
- 3.26. In January 2023 the Council launched the 'People Survey – Life in Ribble Valley' to identify what matters to those living, working, studying, or visiting the borough. The survey included questions on a wide range of issues, ranging from council services, community safety, road and pavement repairs, recycling and refuse collection, and climate change. The findings of the survey were reported to the

Council's Policy and Finance Committee in September 2023, and have since, assisted in developing the Council's Corporate Plan 2023-2027.

- 3.27. In 2023, the Council commissioned a feasibility study for Ribblesdale Pool to help inform decisions on the best long-term sustainable option for swim provision in the Ribble Valley. As part of the study, residents and service users were invited to complete an online survey. Findings of the survey are expected to be reported to the Community Services Committee in due course.

## **Principle C – Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits**

### ***Defining Outcomes***

- 3.28. The Corporate Strategy sets out the strategic direction of the Council, providing a focus to ensure that the services we deliver meet the needs of our communities. The Council's 2019-2023 Corporate Strategy had a four-year scope. A member working group, supported by Corporate Management Team and the Council's Principal Policy & Performance Officer was established following the 2023 local elections. The remit of the working group was to identify the Council's priorities and develop the Council's Corporate Plan 2023-2027. The Council has outlined its priority actions in respect of its Corporate Plan. Key measures of success have been identified for each of the goals included in the new Corporate Plan. The Plan was approved by the Policy & Finance Committee in April 2024, and will be reviewed annually to ensure it continues to reflect the changes to our priorities that occur over time.
- 3.29. The Council's vision, priorities and objectives are clearly set out in the Corporate Plan. Reflecting the Corporate Plan are several other strategic documents that outline their contributions to achieving the Council's visions and objectives. Examples include (but are not limited to):
- Medium Term Financial Strategy and Plan
  - Economic Plan
  - Homelessness Strategy
  - Procurement Strategy
  - Climate Change Strategy
- 3.30. The Core Strategy 2008-28 sets out the long-term vision for the Borough and the strategic policies that will deliver that vision. The Strategy was reviewed in 2019 and work is in progress to develop the new Local Plan. The prosperity of the local economy in Ribble Valley is a key priority of the Council. The Council consulted businesses, residents and other stakeholders in preparation of the Council's Economic Plan 2023-2026.
- 3.31. The Council's Medium-Term Financial Strategy and Plan 2023/24 - 2027/28 (since reviewed and updated for 2024/25 to 2028/29) is the Council's key financial planning document. It outlines all known factors affecting the financial position and financial sustainability of the council over the medium term. The Plan is reviewed annually and considers the financial climate at both the local and national level together with available resources and budgetary pressures.

### ***Sustainable Economic, Social and Environmental Benefits***

- 3.32. The Council is committed to achieving social value where required and ensuring value for money through its procurement decisions. The Council's Procurement Strategy for 2022/23 to 2024/25 communicates how the Council foresees the development of its procurement activities over the medium term. The strategy outlines how the Council expects to demonstrate leadership, behave commercially, and achieve community benefits through its procurement activities.
- 3.33. In looking solely at its own operations, the Council aspires to be 'carbon neutral' by 2030. The Council's Climate Change Strategy raises awareness of the issues surrounding climate change and addresses how the Council intends to reduce carbon emissions as an organisation and through service delivery. In 2023/24 the Climate Change Working Group developed an Action Plan

for 2024/25. The plan was approved by the Economic Development Committee in April 2024 and will continue to be reviewed annually to ensure actions are implemented effectively.

- 3.34. A large proportion of the capital programme is committed to the ongoing replacement of items such as vehicles and plant. Consideration is given to economic, social and environmental benefits in the assessing of bids for the Council's capital programme. Equality and diversity issues are also considered as part of the capital bids appraisal process.
- 3.35. Consideration of risks is an integral part of the Council's decision-making processes. Risk assessments are undertaken and considered for all reports presented before Service Committees, across the following themes:
- Resources
  - Technical, Environmental and Legal
  - Political
  - Reputation
  - Equality and Diversity

### **Principle D – Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes**

#### ***Determining Interventions***

- 3.36. The Council demonstrates sound financial management through regular and timely reporting to Budget Holders, Corporate Management Team, Members and the Council as a whole. Budget setting, control and reporting requirements are set out in the Council's Financial Regulations, which have full regard to internal and external regulations and relevant codes of practice. Financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (2016).
- 3.37. Capital and Revenue budgets are monitored closely and reports on budget allocations and actual performance is provided to the relevant Committees. Further reporting is provided to the Budget Working Group with minutes reported to the Policy and Finance Committee.
- 3.38. A number of areas are delegated to officers for the purposes of decision-making; however, limits on the exercise of delegation are laid down in an approved Scheme of Delegation to Officers within the Constitution.

#### ***Planning Interventions***

- 3.39. The Council plans its activities at a strategic level through its budget cycle and does so in consultation with internal and external stakeholders to ensure services are delivered effectively.
- 3.40. To ensure the Council sets a robust budget, the Council follows the processes below:
- Accountancy staff carry out regular budget monitoring in conjunction with budget holders and regularly report the outcomes to Corporate Management Team.
  - Service Committees receive regular budget monitoring reports.
  - Heads of Service are given responsibility for managing their budgets.
  - Financial plans are prepared using a base budget concept whereby any increases/reductions in the level of services are considered over and above the base budget and approval must be sought/virements requested.
  - The Budget Working Group and the Council's Corporate Management Team meet on a regular basis to make recommendations to officers and service committees through the Policy and Finance Committee to maintain a high level of control over the Council's financial position and ensure finances are managed strategically and effectively.
  - Preparation of a minimum three-year budget forecast and a Medium-Term Financial Strategy which considers budget pressures in the medium to longer term.

- 3.41. There are clear timetables in place for the various service committee meetings. These are published on the Council's website. A timetable detailing key dates is set by the Accounts and Audit Committee for the closure of accounts process and by the Policy and Finance Committee for the budget setting process.

### ***Optimising Achievement of Intended Outcomes***

- 3.42. The budget forecast is reported to the Policy and Finance Committee twice a year and considering recommendations made by the Budget Working Group. Clear budget guidance is given to all service committees through the Budget Working Group and the Policy and Finance Committee, and also to the finance team and budget holders.
- 3.43. The 2022/23 Auditor's Annual Report recommended the Council produce a savings plan to address any forecast budget gaps identified in the medium term. The Budget Working Group have since considered the development of a savings plan, coupled with the new requirement for Councils to produce a Productivity Plan. An outline of the areas for consideration is included in the latest medium term financial strategy 2024-29, but further development work is needed before this is then considered by the Policy and Finance Committee.

## **Principle E – Developing the Entity's Capacity, Including the Capability of its Leadership and the Individuals within it**

### ***Developing the Entity's Capacity***

- 3.44. One of the Council's key strategic objectives is to ensure a "well-managed Council - providing efficient services based on identified customer needs." To ensure that the Council is suitably placed to deliver priorities for the Ribble Valley and its residents, the Council employs the right people, with the right skills in the right job. Robust financial processes, standards, and systems are maintained whilst optimising technology, making the Council more efficient in its service delivery.
- 3.45. Training programmes are encouraged to enhance organisational development, develop leadership skills, and promote a culture with staff at all levels encouraged to be innovative and challenge the normal way of doing things. The Council has a performance appraisal process in place for all staff which considers individual training and development needs. The impact of Covid-19 on Council resources and service delivery resulted in a delay of performance appraisals across the Council. Staff appraisals recommenced in 2023/24 and will continue to be undertaken annually in accordance with internal policies and procedures.
- 3.46. Recruitment and retention issues continue to impact local government as a whole. The Council continues to strive to make the organisation a desirable place to work.

### ***Developing the Capability of the Entity's Leadership and Other Individuals***

- 3.47. A protocol governing member and officer relations is included in the Council's Constitution which outlines the roles of Members and Officers of the Council. The Corporate Management Team (CMT) meet on a weekly basis to discuss matters of strategic and operational importance to the Council. Regular meetings take place between the Chief Executive (Head of Paid Service) and the Leader of the Council.
- 3.48. Requests for training by members and officers will always be considered. All newly elected members and staff receive corporate induction training. The HR team does not tailor staff inductions to an employee's role, however further induction or training is provided by the relevant section. The local elections in May 2023 resulted in the Council having no overall controlling party. An induction day was arranged for all new members and Code of Conduct training sessions were delivered to Members in 2023/24. Other training sessions were arranged for specific Members in respect of their duties as either Accounts & Audit, Licensing or Planning & Development Committee Members, Committee Chairs and/or Representatives on outside bodies.



3.49. The Council has invested in a digital Learning Management System (LMS) to deliver consistent training to all employees on a range of essential corporate topics, such as equality & diversity, workplace wellbeing and safeguarding. Mandatory training on the corporate topics was rolled out to all staff in March 2024. This will ensure fair and inclusive employment practices are implemented and standards are set across the Council.

3.50. The Council is committed to ensuring equal opportunities for all and ensuring that those with disabilities are not at a disadvantage when accessing Council services. A Reasonable Adjustments Policy is in place and is supported by equality and diversity training. Following a previous case referral, the Local Government Ombudsman wrote to the Council in 2023 welcoming the Council's actions:

*"I am pleased to say the Council has now put in place a policy to meet its obligations to disabled service users, has ensured it can keep adequate records, and has made its officers aware of the Council's obligations to disabled people. I welcome the Council's actions and learning from this investigation".*

3.51. With regards to the physical and mental wellbeing of staff, the Council offers employees access to Employee Assistance Programme (EAP), a professional independent service that offers support, guidance, and counselling for a wide range of issues and concerns that employees may have. The service is confidential, available 24/7 and free for all.

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

### ***Managing Risk***

3.52. The Council has a Risk Management Policy which is reviewed and updated on an annual basis. The policy outlines the process of identifying risks, evaluating their likelihood and potential impact, and determining the most effective methods of controlling them or responding to them. The Policy Statement sets out the Council's approach for the systematic management of risk, and roles and responsibilities of all managers and decision makers to achieve this. All decisions made on behalf of the organisation are taken with consideration to the effective management of risk.

3.53. All Officers and Members have an individual responsibility for the management of risk. The terms of reference for Accounts and Audit Committee states the responsibility of members to '*oversee and then monitor the development and implementation of a comprehensive approach to Risk Management.*' The Council's Strategic Risk Register contains 16 open risks as of March 2024, with risks assigned to designated Officers and Service Committees. Heads of Service and Corporate Management Team previously agreed the risks for inclusion in the Council's strategic risk register. The Corporate Management Team and Accounts & Audit Committee receive bi-annual reports outlining the latest position for each open risk and details of any action undertaken is reported accordingly. Heads of Service are in the process of reviewing the operational risks and will report to CMT in line with the Risk Management Policy.

3.54. The Council has an up-to-date Health and Safety policy and Statement of intent in place supported by numerous internal procedures and guidance documentation. An internal audit review of corporate arrangements was undertaken in 2023. Recommendations were raised relating to the identification, completion and review of risk assessments. Senior Management will ensure actions are implemented to address the issues raised.

### ***Managing Performance***

3.55. Key performance indicators (KPIs) are an important driver for improvement and allows the Council to determine how well services are performing. Monitoring Council performance is essential in ensuring excellent service delivery and ensuring the Council continues to meet its corporate priorities. A revised suite of Corporate KPIs has been established and is aligned with the Council's new Corporate Plan. The KPIs will ensure the effective monitoring and analysis of performance against targets, and progress and achievements during the life of the plan.

- 3.56. Staffing changes and resource constraints since Covid-19 impacted the reporting of data for 2021/22 and 2022/23. Performance reporting was reinstated in 2023/24 with all committees receiving service performance data for comparative years. Quarterly reporting for the new suite of KPIs will commence in 2024/2025 with an annual report at year-end. KPIs will be reviewed on an annual basis with effective scrutiny of performance against plan by Officers, Corporate Management Team, and relevant Committees.

### ***Robust Internal Control***

- 3.57. Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. The Council complies with Regulation 5 of the Accounts and Audit Regulations 2015 that specifically requires a local authority to undertake an adequate and effective system of internal audit. The Accounts and Audit Committee approved the Internal Audit Charter at their meeting in February 2023. The Charter is a mandated requirement of the Public Sector Internal Audit Standards (PSIAS) that defines internal audit activity, authority and responsibility.
- 3.58. The Internal Audit Plan is produced on a risk-based approach; incorporating core system and mandated requirements as stated in the Public Sector Internal Audit Standards (PSIAS). The annual plan is agreed by the Accounts and Audit Committee. Progress against the plan is presented at each meeting to the Committee, outlining assurances provided on the control environment, agreed recommendations and areas for improvement.
- 3.59. In line with CIPFA requirements, the Internal Audit Manager has undertaken a self-assessment against the Public Sector Internal Audit Standards (PSIAS). Following the 5-yearly assessment in 2022, the service has ensured that relevant action was taken to ensure compliance against the Standards. No areas of non-conformance were highlighted, and the outcomes were reported to the Accounts & Audit Committee.
- 3.60. The Accounts and Audit Committee met five times within 2023/24. Eleven scheduled audits were completed in the year. Other audits are in progress at the time of writing. There was one fraud referral in year, the investigation for which is in progress. The Internal Audit Service continue to work with management to address any weaknesses identified as part of all reports. The Draft Head of Internal Audit Opinion presented for 2023/24 provided for Substantial Assurance - 'There is a good system of internal control which has been designed to meet the system objectives, and controls are generally operating effectively.'
- 3.61. CIPFA recommends as best practice that the Accounts & Audit Committee include at least two co-opted independent members to provide appropriate technical expertise. The co-opted member would have no voting rights but will support the Council's governance arrangements in helping to bring additional knowledge, expertise and scrutiny to the Accounts and Audit Committee.
- 3.62. Each member of Corporate Management Team, Heads of Service and statutory officers are required to complete an Assurance Statement in relation to a range of key controls operating in their area of work. This specifically seeks assurance that, other than those identified during the course of their normal work or by Internal Audit, they are not aware of any weaknesses in the Council's systems of internal control. No significant areas of concern have been raised, other than those raised in Section 7.
- 3.63. The European Institute for Combatting Corruption and Fraud (TEICCAF) issues a checklist for the 'Protecting the Public Purse' document. Authorities are encouraged to use the checklist to ensure that they have sound governance and counter-fraud arrangements in place and that they are working as intended. No significant issues were highlighted as a result of this review.
- 3.64. The Fighting Fraud and Corruption Locally Strategy (2020) was developed by local authorities and counter fraud experts. It sets out the approach local authorities should take and the main areas of focus to transform counter fraud and corruption performance. There is a checklist to measure

counter fraud and corruption culture and response. No issues were highlighted as a result of this review.

### ***Managing Data***

- 3.65. The way in which we handle and process information, the personal and sensitive data relating to residents, suppliers and employees are outlined through:
- Policies and procedures on the Council's Information Security, available on the Intranet for staff to review.
  - HR data retention policy.
  - A Data Protection Policy with nominated staff responsible for providing advice and guidance on Data Protection matters.  
Provision of Open Data on the Council website.
  - A system for dealing with requests for information submitted to the Council under the Freedom of Information Act 2000.
  - Regular reviews of the Council's information governance and security arrangements by Internal Audit and external assessors.
  - Online information security training delivered through HutSix.
- 3.66. The ICT Manager is the designated Data Protection Officer. This creates the potential for conflict of interest, but the Council continually seek to mitigate any perceived risks in this area.

### ***Strong Public Financial Management***

- 3.67. An established financial management framework is in place comprising of the following:
- Financial Regulations and Contract Procedure Rules as key components of the Council's Constitution
  - A range of internal policies; *Counter Fraud, Bribery and Corruption Policy Statement & Strategy, Anti-Money Laundering Policy, Corporate Debt Write-off Policy, and Whistleblowing policy*
  - Medium Term Financial Strategy and Plan
  - Annual budget book published on the Council's website comprising original and revised estimates, key budget risks and forecast balance of earmarked reserves.
  - Annual review by the s151 Officer of the adequacy of the level of financial reserves;
  - Regular monitoring of revenue and capital budgets with reports to Corporate Management Team and relevant Committees involving effective scrutiny and challenge
  - Annual revenue and capital out-turn committee reports
  - Production of an annual Statement of Accounts compliant with the requirements of local authority accounting practice produced, published, audited and approved in a timely manner.
  - Compliance with requirements established by CIPFA.
  - A regular review of the Council's Financial Management Arrangements.
- 3.68. The Budget Working Group allows for more focused work to be undertaken and specific guidance to be given to Service Committees through the Policy and Finance Committee. The group play a key role in considering and monitoring the Council's finances and is responsible for scrutinising the Council's budgets and making recommendations to Policy and Finance Committee.
- 3.69. The Chief Finance Officer (Director of Resources and Deputy Chief Executive) ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. Financial Regulations and Contract Procedure Rules is reviewed annually. Training was delivered to Heads of Service in 2023. Further training is expected to be delivered to relevant Officers in the coming year.

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

### ***Implementing Good Practice in Transparency***

- 3.70. All reports to meetings of Council and its committees are publicly available on our website with the minutes also published showing what decisions have been taken. Other forms of public accountability reporting include the annual Statement of Accounts and the Council's Annual Report and in year reports from the external auditors are also published online including their Annual Report setting out the findings resulting from their audit of the accounts and their assessment of the Council's arrangements for securing value for money.

### ***Implementing Good Practices in Reporting***

- 3.71. The Council's Statement of Accounts are published in a timely manner on the website. The Statement of Accounts includes a narrative statement which allows for a more understandable format of the outturn position of the Council, away from the statutory presentation requirements seen in the statements themselves. Financial performance is reported throughout the year to all service committees. Outturn reports are presented to the Policy and Finance Committee. All respective reports are available to view on the Council's website.

### ***Assurance and Effective Accountability***

- 3.72. The Council's external auditors, Grant Thornton, attend the meetings of the Accounts and Audit Committee and provide regular reports including the Auditor's Annual Report and briefings to Members. Any actions that may arise from these reports are monitored by the Committee to ensure compliance and to ensure that they result in positive improvements where necessary.
- 3.73. The External Auditors' Annual report was presented to Accounts and Audit Committee in February 2024. The report gave an unqualified opinion of the Council's accounts for 2022/23. The Council provided draft accounts in line with the national deadline. External Audit reported the quality of the draft accounts and supporting working papers continue to be of good standard. The report highlighted no significant risks in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that required further testing.
- 3.74. The Internal Audit Service has direct access to information and Members and provide assurance over governance arrangements through regular reporting to Accounts and Audit Committee. Agreed recommendations are followed up and implementation status is reported. Assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).
- 3.75. The Council welcomes peer challenge reviews and inspections from regulatory bodies and act on any recommendation arising as necessary. Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management. The Council contributed to the Department for Levelling Up, Housing and Communities' consultation to define best value duties. Once published, the Council will endeavour to have due regard for the principles outlined by the Office for Local government (Oflog).

## **4. REVIEW OF EFFECTIVENESS**

- 4.1. The Council has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This is done through utilising the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016). After conducting this review, the Council has assurance that its governance arrangements and systems of control are robust and reflect the principles of the Code of Corporate Governance. This section explains what arrangements were reviewed, and how this assurance was achieved.

### ***Corporate Management Team***

- 4.2. The Corporate Management Team meets each week to discuss policy issues and also considers internal control issues, including risk management, performance management, compliance, efficiency and value for money, and financial management.

### ***Directorate Level Review***

- 4.3. The Council also has in place Directorate Assurance Statements requiring Directors to review the operation of a range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues. These were analysed to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues and as such need to be included in the Annual Governance Statement. No significant areas of concern have been raised.

### ***Monitoring Officer***

- 4.4. As the Council's Monitoring Officer, the Head of Legal and Democratic Services has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution each year at its Annual Meeting. Assurances were given by the Monitoring Officer regarding the matters that fall within their jurisdiction.

### ***Accounts and Audit Committee***

- 4.5. The Council has appointed an Accounts and Audit Committee with the responsibility of monitoring the Council's governance and risk management framework and include reviewing the adequacy of the governance framework. Committee members will take part in a self-assessment of effectiveness within 2024/25 in line with CIPFA's recent Position Statement, including a formal review of the committee's terms of reference.

### ***Internal Audit***

- 4.6. Internal Audit is responsible for monitoring the quality and effectiveness of the system of governance and internal control. A risk-based Internal Audit Plan is produced each financial year. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Directorate. The report includes recommendations for improvements that are included within an Action Plan and require agreement or rejection by Heads of Service. The process includes follow-up reviews of agreed recommendations to ensure that they are acted upon.
- 4.7. The annual Head of Internal Audit report contains an opinion on the overall levels of internal control (a view based on the relative significance of the systems reviewed during the year, in the context of the totality of the control environment).

### ***External Audit***

- 4.8. In accordance with the National Audit Office's Code of Audit Practice, the Council receive regular reports on elements of its internal control environment, including performance management, risk management, financial management and governance.

### ***CIPFA's Financial Management Code (2019)***

- 4.9. CIPFA's Financial Management Code was published in October 2019 and sets out the standards of financial management for the Council. It provides guidance for good and sustainable financial management, offering assurance that authorities are managing resources effectively, regardless of their current level of financial risk. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Council has reviewed its financial management arrangements for 2023/24 in line with the CIPFA Financial Management Code.

### ***CIPFA 'The Role of the Chief Financial Officer in Local Government'***

- 4.10. CIPFA published a document on the Role of the Chief Financial Officer (Director of Resources and Deputy Chief Executive). Achieving value for money and securing stewardship are key components of the Chief Financial Officer's role and the document includes a list of principles that were assessed as part of this review of governance arrangements.

### ***CIPFA 'The Role of the Head of Internal Audit'***

- 4.11. The Head of Internal Audit occupies a critical position in any organisation, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. This CIPFA document is to clarify the role of the Head of Internal Audit and to raise its profile.

## **5. SIGNIFICANT GOVERNANCE ISSUES**

- 5.1 A governance issue arises when something has gone wrong which will affect the achievement of the Council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk.

- 5.2 Whilst determining the significance of an issue will always contain an element of judgement, an issue is likely to be significant if one or more of the following criteria applies:

- It has significantly prejudiced or prevented achievement of a principal objective.
- It has resulted in the need to seek additional funding to allow it to be resolved or has required a significant diversion of resources from another service area.
- It has had a material impact on the accounts.
- It has been identified by the Accounts and Audit Committee as significant.
- It has resulted in significant public interest or has seriously damaged reputation.
- The governance issue may or has been publicly reported by a third party as a significant governance issue.
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer.

- 5.3 It is stressed that no system of control can provide absolute assurance against material misstatement or loss. The statement is intended to provide reasonable assurance.

6. REVIEW OF SIGNIFICANT GOVERNANCE ISSUES RAISED IN THE ANNUAL GOVERNANCE STATEMENT 2022/23

6.1 The status of the issue/s raised as part of the Annual Governance Review 2022/23 is provided in the table below:

Subject Area	Details	Action Taken	Action
<b>Policy Review</b>	Due to the pandemic continuing into the 2021/22 financial year, and the impact this had on resources, a number of policies required formal review.	Several Council policies have been reviewed and ratified in 2022/23 and 2023/24 however other reviews are still in progress.	Partially implemented
<b>Embedding policies and procedures to sustain existing organisational culture</b>	Embedding organisational culture and ensuring continuity of knowledge following the retirements of senior staff throughout 2022/23.	The appointment of senior staff in 2023/24 has ensured the continuity of knowledge and skills are maintained. The ongoing review of policies and procedures will ensure organisational culture is sustained.	Partially implemented
<b>Performance Indicators</b>	Staffing changes and resource constraints since Covid-19 impacted the reporting of performance data to service committees.	Performance data was initially reported to appropriate service committees in January 2024. The Council will continue to report in line with agreed timescales.	Implemented
<b>Performance Appraisals</b>	Due to the Covid-19 pandemic, performance appraisals were delayed.	Performance appraisals were reinstated in 2023/24, with more than 80% completed.	Implemented

7. REVIEW OF SIGNIFICANT GOVERNANCE ISSUES 2023/24

7.1 In considering the criteria for significant governance issues as listed at section 5 the following areas have been raised as part of this Annual Governance Statement for 2023/24.

7.2 It must be noted that progress has been made in the areas that have been carried forward, but that this work needs to continue to fully address the issues raised.

**Action Plan**

Subject Area	Details	Action
<b>Policy Review (c'fwd)</b>	Although several policies had been reviewed and updated, many policy documents still require formal review and ratification.	Heads of Service will ensure that policies requiring formal review are undertaken and ratified appropriately through the relevant governance arrangements; and training provided to new and existing staff where necessary.
<b>Embedding policies and procedures to sustain existing organisational culture</b>		To undertake training on key policies, practices and procedures for new and existing staff.
<b>Risk Assessments (Health &amp; Safety)</b>	Health and Safety Risk assessments to be identified, completed and reviewed to ensure they reflect up to date principles.	Through consultation and support from the Health & Safety Advisor, all Heads of Service will review and complete all risk assessments relevant to their service delivery.
<b>Operational Risks</b>	Heads of Service continue to identify and monitor operational risks. These are required to be formally documented and escalated as appropriate, in line with the Council's Risk Management Policy.	Service Leads will monitor and review their operational risks, reporting any identified high-level risks to CMT.

7.3 It is proposed over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that this will address the need for improvement that has been identified in our review of effectiveness and will monitor the implementation and operation as part of our next annual review.

**Signed:**

\_\_\_\_\_  
 Leader of the Council  
**On behalf of Ribble Valley Borough Council**

\_\_\_\_\_  
 Chief Executive