



ANNUAL GOVERNANCE STATEMENT 2022-23

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Stroud District Council – Annual Governance Statement 2022-23

1. Scope of Responsibility

- 1.1 Stroud District Council (the Council) is responsible for ensuring that its business is conducted lawfully, that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to continuously improve its functions, having regard to best practice, economy, efficiency, and effectiveness.
- 1.2 In discharging this duty, the Council acknowledges its responsibility for appropriately governing its affairs, the effective exercise of its functions and the management of its risks. The Council has developed a Code of Corporate Governance (the Code) which defines the principles and practices that underpin our governance arrangements.
- 1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced the “Delivering Good Governance in Local Government framework (2016)”. This emphasises sustainability and the need to focus on the economic, social and environmental impacts that actions may have on future generations.
- 1.4 The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework.
- 1.5 The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework. For the year ended 31 March 2023, the AGS shows our compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).
- 1.6 The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2022-23 and any changes planned for 2023-24.
- 1.7 The Council’s Statutory Officers are the Chief Executive (Head of Paid Service), the Strategic Director of Resources (Section 151 or S151 Officer) and the Monitoring Officer (the MO). They direct the annual reviews of the effectiveness of the Council’s governance arrangements against the Code, providing oversight and robust challenge. When completed, the findings are reported to the Audit and Standards Committee (ASC), which identifies and monitors any improvement actions.

2. The Corporate Governance Framework

- 2.1 Corporate governance refers to how the Council is led, controlled and held to account.
- 2.2 Appendix A below shows the Council’s Governance, Risk and Control Framework pictorially.
- 2.3 The Council’s governance framework aims to ensure that in conducting its business it:
 - i. Operates in a lawful, open, inclusive and honest manner;
 - ii. Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - iii. Has effective arrangements for the management of risk; and

- iv. Secures continuous improvement in the way that it operates.
- 2.4 The governance framework comprises the culture, values, systems and processes by which the Council is managed. It enables the Council to monitor its objectives and consider whether these have led to the delivery of effective services and value for money. It enables the Council to monitor the achievement of its objectives.
- 2.5 The framework brings together legislative requirements, best practice principles and management processes.
- 2.6 The system of internal control is a significant part of the framework and is designed to manage the Council's risks to a reasonable level. It cannot eliminate all risk of failure to achieve corporate objectives and can, therefore, only provide reasonable and not absolute assurance. The system of internal control helps the Council to:
- i. Operate in a lawful, transparent, inclusive and honest manner;
 - ii. Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
 - iii. Have effective arrangements for the management of risk;
 - iv. Secure continuous improvement in the way that it operates;
 - v. Enable human, financial, environmental and other resources to be managed efficiently and effectively;
 - vi. Properly maintain records and information; and
 - vii. Ensure its values and ethical standards are met.
- 2.7 The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).
- 2.8 The Code recognises that effective governance is achieved through the following seven CIPFA-SOLACE principles:
- i. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - ii. Ensuring openness and comprehensive stakeholder engagement;
 - iii. Defining outcomes in terms of sustainable economic, social and environmental benefits;
 - iv. Determining the interventions necessary to optimise the achievement of intended outcomes;
 - v. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
 - vi. Managing risks and performance through robust internal control and strong public financial management; and
 - vii. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

3. Governance Environment

- 3.1 The governance framework includes arrangements for:
- i. Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;

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

3.2 The Council's governance framework has operated effectively throughout 2022-23 and up to the date of approval of the annual statement of accounts and the AGS.

3.3 The Code is consistent with the principles set out in the CIPFA-SOLACE Framework, and is reviewed on an annual basis. The table below is a summary of the Council's compliance to the CIPFA-SOLACE Framework:

Principal A

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

Behaving with integrity

- i. The political leadership sets the tone for the Council and ensures that the required policies are put into place and monitored.
- ii. The Council's Constitution sets out how decisions are made and the procedures that are followed to ensure these are efficient, transparent and accountable to local people.
- iii. Statutory Officers' responsibilities are defined in the Constitution and are employed in accordance with statutory guidance.
- iv. The Employee Code of Conduct forms part of the Constitution and sets out the behaviours expected of employees.
- v. The Members' Code of Conduct, which was updated in February 2023, forms part of the Constitution and sets out the standards of conduct expected by Members of the Council.
- vi. The Planning Code of Conduct and Probity in Licensing, both of which are currently being updated, supplement the Members Code of Conduct and set out the standards of conduct expected from members dealing with planning and licensing matters.
- vii. The Protocol for Member/Officer Relations is designed to guide Members and Officers of the Council in their relations with one another to maintain the integrity of local government.
- viii. The Audit and Standards Committee and the Monitoring Officer promote high standards of Member conduct. The Member Code of Conduct and guidance strengthen the Council's ethical framework.

Demonstrating strong commitment to ethical values

In accordance with the Localism Act 2011 we have adopted a Code of Conduct for our Councillors that is in keeping with the general principles of public life and based upon the Local Government Association Model. All Councillors and co-opted Members undertake that they will observe the Code of Conduct.

The Employee Code of Conduct provides guidance to our employees on the ethical framework within which we seek to conduct its activities; and on the processes that the Council uses to ensure compliance with the highest ethical standards. These standards reflect the Nolan Principles which form the basis of the Members' Code of Conduct.

Arrangements to minimise the risk of Members and officers being influenced by prejudice, bias, or conflicts of interest in dealing with different stakeholders include:

- i. A statutory register of interests;
- ii. Requirements to declare conflict of interests; and
- iii. Employee and Councillor Register of gifts and hospitality.

The Complaints and Feedback Policy specifies how any complaints will be addressed.

Respecting the Rule of Law

The Constitution sets out the decision making powers of Members, Committees and officers.

One Legal advise the Council on the application of the law and provides training and guidance notes. All committee reports include legal implications.

Codes of Conduct set out the standards of behaviour that are expected of our Councillors and Officers. Should these standards be breached, they will be dealt with, either through the standards Committee or, in relation to Officers, action taken under our capability and/or disciplinary procedures.

The Whistleblowing Policy adopted by the Council ensures its effectiveness from a safeguarding perspective and to make it easier for staff to raise concerns about malpractice or illegal activity. The Policy contains clear guidance about how to report a concern, who to contact and sources of internal and external support.

Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures and statutory legislation. Where non-compliance is identified, this is reported to management and to Members via the Audit and Standards Committee.

The Council works with ARA and a Gloucestershire wide Counter Fraud and Enforcement Unit to help prevent and detect fraud and corrupt practices, including abuse of position. These services report to the Audit and Standards Committee twice a year.

Throughout 2022/23 the Counter Fraud and Enforcement Unit has worked closely with our Revenues and Benefits team to ensure that all energy support grants put in place have sufficient pre and post payment checks and controls in place to give assurance that the COVID19 grants were paid in accordance with the eligibility criteria.

Principal B

Ensuring openness and comprehensive stakeholder engagement

Openness

The Council Plan 2021-26 sets out key objectives, actions, projects, measures and targets.

The annual accounts are published in a timely manner and in accordance with specified timescales so that the financial position and performance of the authority is open to public scrutiny.

Committee meetings, agendas and minutes are published in accordance with the Local Government Act 1972.

Council and Committee reports clearly outline their purpose, so the public can understand what the decision is aiming to achieve.

Council and Committee reports address financial, legal, equalities, risk and environmental implications to allow public scrutiny and aid Members in their decisions making.

All public meetings that take place in the council chamber are webcast live.

Members and the public are able to ask questions at Council and committees. Processes are in place which facilitate public participation at Audit, Licensing and Development Control Committee meetings. All meetings are held in public unless exempt business is under discussion.

The Council's petition scheme makes provision for the submission of petitions.

Member and significant officer decisions are reported on the Council's website.

The Council publishes data in accordance with the Local Government Transparency Code including supplier payments, senior management structure charts, annual pay policy statement, and our gender pay gap report for the previous financial year. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information Request and the procedure that will be followed to answer the request.

Engaging comprehensively with institutional stakeholders

We engage with large numbers of stakeholders through forums such as Leadership Gloucestershire, Southwest Councils and the Local Government Association.

We have a comprehensive engagement system with statutory stakeholders such as the NHS, Gloucestershire County Council and the Gloucestershire Police.

We are members of the District Councils' Network (DCN) a cross-party member led network of 183 councils.

We engage with further subject-based stakeholders particularly around economic development.

We hold a statutory responsibility around the duties of the Community Safety Partnership, made up of both statutory agencies and co-operating bodies within the district and the county (known as the 'responsible authorities').

An annual consultation with residents and businesses is carried out on matters relating to Council priorities and budgets.

Engagement with staff happens in a number of ways, whole authority staff sessions, directorate team meetings, monthly Leadership and Management Team meetings and one-to-one meetings.

We have a Town and Parish Council Charter and a town and parish council hub where town and parishes can access and share information, along with a schedule of information sharing events.

Engaging with individual citizens and service users effectively

Local focus and community group engagement are undertaken by neighbourhood wardens with wider engagement taking place across our service areas.

Our community services team work to prevent, investigate and tackle anti-social behaviour (ASB) in Stroud.

The Communications team ensure that specific matters are placed in the media and engage with the media over enquiries on specific matters.

Annual resident and business satisfaction surveys are received from the local community.

The Councillor Call for Action helps Members to make improvements for their local areas. Members can address issues affecting their communities by engaging with the Council or a relevant committee.

Planning has a particular focus on engagement with statutory consultation forming part of each planning proposal.

The Complaints and Feedback Policy enables residents to provide feedback, to raise complaints or provide us with a compliment.

A web-based consultation hub consultations are held with residents on policies, plans and proposals affecting our communities.

Principal C

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

Defining outcomes

The Council's vision and priorities are set out in the Council Plan 2021-26.

A Budget and Medium Term Financial Plan, Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.

The Council collaborates with partners where there are shared objectives and clear economic benefits from joint working.

The Council has a co-ordinated and structured approach to developing services and defining outcomes.

Contract management and monitoring arrangements are in place to ensure that services are delivered to a high standard.

The Council's business planning, performance and risk management framework enables the monitoring of progress against objectives, key performance indicators and targets.

The Council's Local Development Plan (currently undergoing examination) makes provision for the long-term growth of the area.

Sustainable economic, social and environmental benefits

Our pathway to NetZero sets out our aims to achieving our target of Stroud becoming carbon neutral by 2030.

The Council ensures the purchase of goods, services or works required to deliver services is acquired under Best Value terms.

We are committed to social value and how we can drive this through our own procurement, decision-making and project delivery. We are signed up to the Social Value Portal which ensures we deliver social value from our procurement activities with a value of over £75,000.

The Council's considers political, environmental, societal, technological, legislative, economic and efficiency risks, opportunities and value for money when taking decisions about service provision.

Principal D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions

Decision makers objectively and robustly analyse a variety of options. This includes information on the risks and opportunities of various options and help to inform decisions.

Consultation with residents ensures their views are fully considered when making decisions about service changes.

The Council Plan 2021-26 helps the district to grow - shaping it into a vibrant and welcoming place to live, work and study.

The Council has a performance management and monitoring process in place.

Performance reports analysing trends and latest budget position are monitored by management and the relevant Committees.

All services delivered via our partners have a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery.

SLT keep members apprised of commissioned service performance as well as in some instances members being directly involved in performance meetings with commissioner services providers.

Regular Peer reviews are undertaken for quality assurance with the most recent review being concluded in January 2023.

Planning Interventions

Excelsis (system now de-commissioned as we move to Pentana) provided access to regular reporting on matters of risk and performance.

Strategic risks are regularly considered by SLT and now the Corporate Governance Group
Operational risks are monitored and managed at Manager level.

SLT has strategic oversight of major issues affecting the Council with a developing forward plan.

Budget monitoring is designed to capture and incorporate internal and external factors and to enable the authority to respond appropriately.

Optimising achievement of intended outcomes

The Council has implemented a Budget and Medium-Term Financial Plan (MTFP) which shows the level of Council resources and how these are allocated between services.

The financial plans demonstrate how the Council's resources will be deployed to deliver its aims and priorities.

The Council considers the achievement of 'social value' when planning and commissioning services. The Council has a Social Value Policy and in 2021-22 has signed up to the Social Value Portal.

The Council's Capital Strategy and Treasury Management Strategy were refreshed and approved by full council in February 2023.

The authority's budgets are prepared annually in accordance with objectives, strategies and the MTFP is finalised following consultation with Members, customers, stakeholders, and officers.

The MTFP is a live document and is updated as necessary, to respond to the changing environment and in such circumstances would be discussed by the Leadership Team to determine any necessary mitigating actions that would then be discussed with the Alliance Leadership Team.

Principal E

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

Developing the Council's capacity

The Chief Executive is responsible for the organisation of the staff.

Leadership and Management is delivered through SLT consisting of the Chief Executive, and Directors to ensure proper oversight of the whole business.

SLT meet fortnightly and have a leadership and management team meeting. Quarterly Proud of Stroud events for all staff provide opportunities to share knowledge and celebrate success.

SDC uses benchmarking exercises and the Local Government Association (LGA) Corporate Peer Challenge (CPC) to explore the effectiveness of service delivery and strengthen the Council's accountability. One such exercise was carried out in year.

Collaborative working and alternative service delivery models are considered to meet our priorities.

The Council's Constitution defines the statutory and distinctive role of the Chief Executive and sets out decision making powers.

Our member development group supports continued Member development.

Developing the capability of the Council's leadership and other individuals

Council "Values and Behaviours" develop the skills required to deliver our key priorities, savings targets, and form part of our commitment to personal and professional development.

We have a programme of training available for both Councillors and Officers at all levels.

All new employees take part in an induction programme and ongoing staff development needs are identified through our system of 1:1 meetings.

There is mandatory compliance training for all staff and members on key items and policies including training on Equality, Diversity, and Inclusion.

Professional members of staff are required to undertake additional training requirements (continuing professional development) as set by their professional bodies.

We continue to run a range of leadership programmes for our people designed to give them behaviours and skills for the future.

All new Members undertake a comprehensive Members induction programme that is delivered after each election.

Training is provided for Members on an ongoing basis as appropriate and necessary. Members on certain committees (e.g. Development Control) are required to undertake initial and ongoing "top up" training in order to take their place on the committee.

A Member Development Working Group has been established to lead on issues relating to Member Training and Development.

The authority is a member of the Local Government Association who provide individual mentoring and support to Members and officers as necessary or requested.

Principal F

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

Managing Risk

The Risk Management Policy and Strategy defines roles and responsibilities for managing risk. It confirms that risk management is an integral part of all our business planning, option appraisal and decision making activities.

The Council's business continuity arrangements, which are currently being updated ensure critical services can be maintained and recovered during an emergency.

The ASC monitor the adequacy of risk management and the effectiveness of the S151 Officer in ensuring an adequate internal and financial control environment within the Council.

A risk-based audit plan is drafted annually following consultation with Officers and Members. The Audit Plan is approved by the Audit and Standards Committee prior to the financial year.

Managing Performance

The Council Plan 2021-26 outlines our vision to lead a community that is making Stroud district a better place to live, work and visit. The plan outlines how this will be achieved around three key themes: "Environment and Climate Change", "Economy, Recovery and Regeneration" and "Community Resilience and Wellbeing". Performance against the plan is monitored by individual committees via performance monitors and associated performance reports.

Our business planning framework ensures that strategic and service plans align with the Council Plan, and set out our priorities and risks. Priorities are monitored through our performance, programme, and project management framework.

Robust Internal Control

The corporate governance group meets bi-monthly. Chaired by the Monitoring Officer, other attendees include the Section 151 officer and officers responsible for, performance, internal audit, counter fraud, risk management and Human Resources.

Assurance is gained through regular internal audits and reporting.

External Audit recommendations are reported to Audit and Standards Committee following the completion of their annual audit process with follow-ups of recommendations also reported. Any recommendations are incorporated into the planning for the next years Audit.

Internal Audit is delivered through ARA and processes ensure compliance with Public Sector Internal Auditing Standards.

Internal Audit agreed actions are followed up and reported to Audit and Standards Committee with further follow up being reported where agreed actions have not been implemented in full.

Copies of all Internal Audit reports are provided to the relevant Director who ensures that other Directors and Officers are made aware of any significant issues or recommendations.

Audit reports once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to Audit and Standards Committee, on a quarterly basis.

Agreed Actions made in audit reports are followed up one month after the agreed target implementation date. High priority agreed actions are reported to Audit, and Standards Committee with quarterly updates on progress.

Both ARA and the Counter Fraud and Enforcement Unit support the Council. Where investigations identify possible improvements to the internal control framework, they will liaise with the Internal Audit Team to ensure the improvements are followed up and implemented by Management.

The Council takes fraud, corruption and maladministration very seriously and the Counter Fraud and Corruption Policy Statement and Strategy and Whistleblowing Policy prevent or deal with such occurrences

Managing Data

Data is lawfully managed in accordance with the freedom of information and data protection Policies. The Council has an Information Governance Officer and information champions who help to promote effective management of information across the Council. These policies also provides the responsibilities and accountabilities for the roles of the Data Protection Officer, Senior Information Risk Officer (SIRO) and the Single Point of Contact (SPoC).

All officers and Councillors are required to undertake mandatory e-Learning training on information governance.

The importance of reporting breaches of Data Protection legislation is well publicised and individual officers are welcomed when they come forward to report incidents.

The authority is part of the Gloucestershire Information Sharing Partnership. This will enable data to be shared when necessary. Additional Information Sharing protocols are in place with third parties.

Audit reviews ensure data is held securely whether electronic or hard copy.

In 2022/23 we conducted a number of the Information Commissioners Self-Assessment and were able to identify areas of strength and area for development. An action plan has been developed and worked is underway to complete the actions contained therein.

Strong public financial management

The Medium-Term Financial Plan (MTFP) sets the overall direction for how we will fund our activities and invest in the future.

We have a budget setting process with the Budget and Medium-Term Financial Plan decided annually by Council.

We have in place a statutory Section 151 Officer with finance teams that support the budget holders.

The MTFP is reviewed and updated on a regular basis so that Members and SLT are aware of the financial standing of the authority in terms of delivering against cost reduction or revenue raising targets.

Performance against budget is reported to Committees and any significant variances explained.

Financial Procedure Rules and Contract Procedure Rules are in place.

The Statement of Accounts is produced and published annually in accordance with statutory legislation.

Aligned with the accounts the production of this Annual Governance Statement that identifies how the authority has met its governance reporting obligations.

External Audit report on the Council's accounts, the AGS and the Code. They provide an opinion on the accounts and arrangements for securing economy, efficiency, and effectiveness in the use of resources (value for money).

Principal G

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

Transparency

Agenda and minutes of Council and Committee meetings are publicly available on the Council's website and meetings are live streamed.

The Freedom of Information Act publication scheme ensures residents have access to information held by the Council.

The Local Government Data Transparency Code lists data that is published by the Council. This includes expenditure over £500, grants to community bodies and senior salaries. This enables residents to contribute to local decision making.

Reporting

We have in place comprehensive procedures for the making of decisions either by Full Council, Committees, or officers.

All reports are taken through democratic services and require clearance by Legal and Finance. Equality and Environmental impacts are also identified.

The Annual Statement of Accounts provide information on the Council's stewardship of public money for the year.

The AGS reports on the effectiveness of our governance arrangements against the key principles set out within the Code.

The ASC review and approve the Annual Statement of Accounts and AGS.

Assurance and effective accountability

Accountability and decision making arrangements are defined in the Council's Constitution, including arrangements for the delivery of services with our key partners.

The ASC provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment.

Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

4. Review of Effectiveness

- 4.1 The Council has a responsibility for annually conducting a review of the effectiveness of its governance framework including the system of internal audit. The review of effectiveness is informed by the various sources below who contribute to the development and maintenance of the governance environment:
- i. The Chair of the ASC formally reports on its work to Council;
 - ii. Assurance statements from senior management provide evidence that key elements of the system of internal control are operating effectively;
 - iii. The work of Internal Audit, including the Annual Report of the Head of Internal Audit is overseen by the ASC;
 - iv. The work of the External Auditor – including the annual Audit Results and other reports in relation to financial and other aspects of the Council's governance;
 - v. A comprehensive risk management process captures the Council's strategic and operational risks which are reported to senior managers and the ASC; and
 - vi. Consideration of this AGS by the Section 151 Officer and the CE with reference to the wider aspects of governance.
 - vii. Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined through processes involving the Monitoring Officer/Independent Person(s)/Audit and Standards Committee/Sub-Committee as set out in the Constitution.
 - viii. Periodic training and awareness sessions are carried out with the Audit and Standards Committee
 - ix. The External Auditors present progress reports to the Audit and Standards Committee.
 - x. The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit and Standards Committee.
 - xi. Performance with regard to achievement of council priorities, budgets and risk are reported and monitored as outlined in this statement.
 - xii. The Audit and Standards Committee review the Annual Governance Statement.
 - xiii. The Audit and Standards Committee review the Annual Statement of Accounts and reports from both Internal Audit (ARA) and External Audit, including quarterly progress reports.
 - xiv. Council approves the annual budget, reviews, and approves the Treasury Management Strategy.
 - xv. Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including agreed actions for improvement are detailed in an action plan agreed with the relevant Director/Service Manager.

4. Update On Governance Issues From 2021-22.

4.1 The AGS for 2021-22 highlighted a number of governance issues. The table below sets out those issues and identifies the actions taken by the Council to strengthen its governance arrangements.

Governance Issue	Actions taken in 2022-23
LGA Peer Review March 2022	The January 2023 report from the Peer Review team was positive regarding the Council's progress since 2019 and made suggestions for further improvements.
Procurement – Non-compliance with Internal Regulations	ARA have commenced follow up work and will report progress on implementation to the ASC.
Financial Resilience	<p>Developing and reporting an up-to-date financial plan remains a key part of organisational governance.</p> <p>Strategy and Resources Committee considered in September 2022 an up-to-date financial plan based on the current economic climate and future financial targets were reset in February 2023. When setting new growth items into the Financial Plan explicit link is made with Council Plan objectives to ensure Council funding is directed into key priority areas.</p> <p>The regular system of budget monitoring is maintained both to inform members and key officers of current spending levels and also to allow corrective action to be taken within appropriate timescales where necessary.</p> <p>The risk of the Council issuing a Section 114 notice is low.</p>
Risk Management	<p>The Council has updated its Risk Management Policy Statement and Strategy and transitioned risk management into Pentana.</p> <p>Work on updating the supporting procedures and guidance for officers is ongoing.</p>
Hybrid Working	The Council has adopted a Hybrid Working Policy and has effectively demonstrated that it can deliver services whilst working in a hybrid environment.

<p>Planning Enforcement</p>	<p>Out of the 13 recommendations made by ARA, 9 have been fully implement.</p> <p>Four recommendations remaining in progress:</p> <ul style="list-style-type: none"> • Completion of a service delivery resourcing assessment and business case for change; • Additional corporate financial resource support to deliver the Business Improvement Plan; • Service challenges such as increased demand of complaints, are met by financial resource approvals to hire experienced staff; and • Complete a staff time and task analysis for a limited period, which can be used to inform the staff resource needs for the service. <p>Internal Audit will continue to review the status of the above four recommendations. Once concluded, the outcomes will be reported to Audit and Standards Committee</p>
<p>Cyber Security and Business Continuity</p>	<p>In 2022/23 the Council prioritised cyber security in terms of:</p> <ul style="list-style-type: none"> • Building our knowledge, contacts and team collaboration • Protecting the IT estate via improvements including: <ul style="list-style-type: none"> ○ More comprehensive penetration testing and management of remediation actions ○ Increasing patching and upgrade frequency ○ Progressing a diversified cloud strategy • Improving our response and recovery abilities via process mapping and testing • Implementing tooling to improve filtering, detection, alerting and anti-phishing.
<p>Housing Voids</p>	<p>An Internal Audit review of Voids was undertaken during 2021-22. This found that there were opportunities for the Council to improve its performance concerning the management of void properties.</p> <p>A task and finish group was established which reported the outcome of their work to the Housing Committee. As a result, the Council has seen a significant reduction in void times.</p> <p>ARA are currently undertaking follow up work and will report progress on implementation of the recommendations to the ASC in due course.</p>
<p>“Fit for the Future” Modernisation Programme</p>	<p>The Council continues to progress its modernisation programme “Fit for the Future”.</p> <p>Significant progress has been made in the People and OD workstream and we are now seeing some good momentum in the community connections and service delivery workstreams.</p> <p>ARA have given positive assurance around project governance.</p>

Leisure Facilities-Local Authority Trading Company	The Council has been working towards setting up a Local Authority Trading Company for the future provision of leisure services. However, due to a change in the treatment of VAT in the leisure industry this work has been paused. The Council are reviewing their options and a report will be presented to the relevant committee(s) in due course as a result the future of leisure facilities will be carried over and continue to be an area of focus for 2023/24
Contract Management Framework	The Council has adopted a new Contract Management Framework. A report regarding the implementation and embedding of the framework and identifying areas of further work was presented to ASC in February 2023

5. ARA's Overall Opinion of Stroud District Council's Governance Arrangements

- 5.1 Despite inflation and utility price volatility, the Council has maintained effective service delivery and governance arrangements. There has been no significant detriment on the Council's ability to deliver its statutory services.
- 5.2 Risk registers will be refreshed to reflect the findings of the Review of Risk Management (see below) to ensure they accurately capture the Council's risks. These will be reviewed and regularly monitored by the Corporate Governance Group and SLT and be presented for scrutiny by the ASC as appropriate.
- 5.3 The Council has implemented the Pentana performance and risk management system. This will enhance the Council's ability to monitor its performance and risk management arrangements.
- 5.4 The Council's Monitoring Officer has established a Corporate Governance Group. This group will enhance the Council's governance arrangements by providing greater consistency and understanding of governance issues.
- 5.5 Audit statement – 'On the balance of our 2022/23 audit work for Stroud District Council, enhanced by the work of external agencies, I am able to offer a Satisfactory Assurance opinion in respect of the areas reviewed during the year.'

6. Governance areas of focus for 2023-24.

- 6.1 In preparing this statement and reviewing the effectiveness of the Council's governance arrangements, the following areas have been identified as areas of focus for 2023/24:

Issue	Actions
Update our HR and ICT Policies	<ul style="list-style-type: none"> Complete a review of HR and ICT policies to ensure they are fit for purpose, reflect current statutory requirements, and best practice.

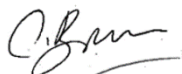
	<ul style="list-style-type: none"> ensure that where appropriate HR and ICT policies are interconnected to ensure that appropriate procedures are in place concerning matters such as employee access to systems and data during periods of long-term sickness absence or when the subject of disciplinary investigations. Update guidance on the use of personal devices for council business
Develop our approach to project and programme management	<ul style="list-style-type: none"> Establish a toolkit for projects and programmes; Implement a process for tracking and monitoring projects; Introduce the use of Pentana for project management.
Risk Management	<ul style="list-style-type: none"> Complete a thorough review of the Corporate Risk Management Framework ensure the guidance on the Hub is updated provide training to officers and members ARA to undertake follow up work for the Risk Management audit that was undertaken in 2022 and report progress on implementation to the ASC. ARA to conclude work on the production of an Assurance Map
Complete the transition of Leisure Services	<ul style="list-style-type: none"> Decision to be taken on the future of leisure services by CS&L Committee, S&R Committee and Full Council by July 2023 Establish governance and project management arrangements for transition to preferred model of operation Complete transfer to preferred model of operation prior to expiry of contract with current provider
Register of employee interests, gifts and hospitality	<ul style="list-style-type: none"> Introduce an annual declaration process for all staff which enables the council to hold accurate records of employee conflicts of interest, related party transactions, gifts, and hospitality.
Business Continuity	<ul style="list-style-type: none"> Complete the review of all service business continuity plans; Develop a corporate recovery plan; Carry out a test of the corporate recovery plan to ensure it is fit for purpose and to learn lessons.

7. Certification

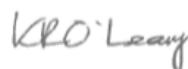
- 7.1 To the best of our knowledge, the Council's governance arrangements have operated effectively throughout 2022-23.
- 7.2 The Council will continue to be vigilant to risks to our operations, address these accordingly, and further enhance our governance arrangements as appropriate.

- 7.3 We will ensure that the AGS is current at the time of signing. Should a second conclusion on the adequacy of governance arrangements during this period be necessary then any potential impacts will be highlighted in the AGS.
- 7.4 The Strategic Leadership Team (SLT) will oversee this action plan over the coming year and report progress to the Audit and Standards Committee. The SLT will ensure that governance issues continue to be promoted, addressed and monitored throughout the year.
- 7.5 We, the undersigned, are satisfied that appropriate governance arrangements are in place. We propose over the coming year to continue to review and, where appropriate, enhance our governance arrangements.

Signed:



Catherine Braun
Leader of the Council



Kathy O'Leary
Chief Executive

Date:

10th July 2023

10th July 2023

Appendix A – The Council’s Governance, Risk and Control Assurance Framework

