



# **ANNUAL GOVERNANCE STATEMENT 2023-24**

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# Stroud District Council – Annual Governance Statement 2023-24

## 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 2024, 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 2023-24 and any changes planned for 2024-25
- 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 2023-24 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:

## Principle 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, 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 were updated in 2023, 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.

## **Principle 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, South West 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 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 district.

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.

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

## Principle 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 district 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.

## **Principle 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 visit.

The Council has a performance management and monitoring process in place using a specialised piece of performance management software.

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 last review being concluded in January 2023.

#### **Planning Interventions**

Ideagen provides access to regular reporting on matters of risk and performance.

Strategic risks are regularly considered by SLT and 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 rolling 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' (how scarce resources are used) when planning and commissioning services. The Council has a Social Value Policy and 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 2024.

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 Strategic Leadership Team to determine any necessary mitigating actions that would then be discussed with the Alliance Leadership Team.

## **Principle 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 the Strategic Leadership Team (SLT) consisting of the Chief Executive, S151 Chief Finance Officer, Monitoring Officer and Directors to ensure proper oversight of the whole business.

SLT meets weekly. SLT is a subset of a wider Leadership and Management Team (LMT) which includes lead service officers and which meets fortnightly. Quarterly 'Proud of Stroud' events focussed on our agreed values provide opportunities for all staff 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.

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, Section 151 Officer and Monitoring Officer.

The Constitution also sets out the Council's decision making powers, including those which are delegated to officers.

Our member development group supports continued Member development and put together a comprehensive member induction programme for new members.

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

Council "Values and Behaviours" identify and 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.

An established Member Development Working Group leads on issues relating to Member Training and Development.

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

## **Principle 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, 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, refreshed in 2023, 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, Resilience 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 quarterly. 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 year's 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 after the agreed target implementation date. Follow up internal audits were included in the Internal Audit Plan 2023-24 for previous activities that had received a Limited or No assurance opinion. Follow up internal audit outcomes are reported to Audit and Standards Committee.

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 provide 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.

### **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).

## Principle 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 provides 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 Report and follow-up of management responses to issues raised in the Report 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.

## 5. Update On Governance Issues From 2022-23.

5.1 The AGS for 2022-23 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.

Issue	Actions	Lead Officer	Target Date	Update
Update our HR and ICT Policies	Complete a review of HR and ICT policies to ensure they are fit for purpose, reflect current statutory requirements, and best practice.	Andrew Cummings	April 2024	<p>We have got a draft recruitment policy that is being circulated in the team for sign off and implementation by end of Jan. In addition, the following HR policies have been updated.</p> <ul style="list-style-type: none"> <li>• Domestic Abuse Policy created, approved and live (training planned initially for SLT, LMT, HR, Wellbeing Ambassadors. Phase 2 training will be for unit managers and all line managers later in the summer)</li> <li>• Probation policy reviewed, updated and live</li> <li>• Travel and subsistence reviewed, updated and live</li> <li>• Managing sickness absence – reviewed, updated and live</li> </ul> <p>The HR Team is currently working on the creation of some new policies and policy edits:</p> <ul style="list-style-type: none"> <li>• Carers Leave</li> <li>• Reviewing flexible working hours in light of new legislation proposed</li> <li>• Neonatal leave</li> </ul> <p>HR have included a full review of HR policies in the 2024-service plan. The policies will be split across the team, based on work area, to review in terms of style language and content.</p>

	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.	Andrew Cummings	April 2024	Completed  Maternity leave guidance and sick leave guidance have been reviewed, updated and rolled out and include instruction re. suspension of sensitive and confidential system access.
	Update guidance on the use of personal devices for council business	Owen Chandler	December 2023	Completed
Develop our approach to project and programme management	Establish a toolkit for projects and programmes	Hannah Barton	<del>January 2024</del> September 2024	Ongoing – the draft toolkit has been presented to the Corporate Governance Group for feedback and will be updated before being circulated for consultation more widely. This work has been delayed until after the elections due to competing priorities.
	Implement a process for tracking and monitoring projects	Hannah Barton	<del>January 2024</del> September 2024	This work has been delayed until after the elections due to competing priorities.
	Introduce the use of Ideagen for project management	Hannah Barton	<del>January 2024</del> September 2024	Several projects are trialling the use of Ideagen as a project management tool and feedback will be collected before rolling this out more widely.
Risk Management	Complete a thorough review of the Corporate Risk Management Framework	Sarah Turner	<del>November 2023</del> February 2024	Completed
	Ensure the guidance on the Hub is updated	Sarah Turner	February 2024	Completed

	Provide training to officers and members	Sarah Turner	March 2024	Officer training has been completed.  Member training has been scheduled to take place after the election.
	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	October 2023	Completed
	ARA to conclude work on the production of an Assurance Map	ARA	September 2023	Completed  Final report received in December 2023
Complete the transition of Leisure Services	Decision to be taken on the future of leisure services by CS&L Committee, S&R Committee and Full Council by July 2023	Ange Gillingham	July 2023	Completed
	Establish governance and project management arrangements for transition to preferred model of operation	Ange Gillingham	September 2023	Completed - Governance arrangements have been agreed and are now in place
	Complete transfer to preferred model of operation prior to expiry of contract with current provider	Ange Gillingham	October 2024	Ongoing – this action runs over two years of the Annual Governance Statement so will be carried over into 2024/25 action plan.
Register of employee interests, gifts and hospitality	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	Claire Hughes	October 2023	Completed

<b>Business Continuity</b>	<b>Complete the review of all service business continuity plans</b>	<b>Claire Hughes</b>	<b>June 2023</b>	<b>Completed</b>
	<b>Develop a corporate recovery plan</b>	<b>Claire Hughes</b>	<b>September 2023</b>	<b>Completed</b>
	<b>Carry out a test of the corporate recovery plan to ensure it is fit for purpose and to learn lessons.</b>	<b>Claire Hughes</b>	<b>November 2023</b>	<b>Completed</b>

## **6. ARA's Overall Opinion of Stroud District Council's Governance Arrangements**

- 6.1 Despite ongoing 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.
- 6.2 The Council has implemented the Ideagen performance and risk management system. This will enhance the Council's ability to monitor its performance and risk management arrangements
- 6.3 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.
- 6.4 Audit statement - 'On the balance of our 2023/24 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.'

## 7. Governance areas of focus for 2024-25.

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 2024/25:

Issue	Actions
<b>Develop our approach to project and programme management</b>	<ul style="list-style-type: none"><li>• Establish a toolkit for projects and programmes;</li><li>• Implement a process for tracking and monitoring projects;</li><li>• Introduce the use of Ideagen for project management.</li></ul>
<b>Complete the transition of Leisure Services</b>	<ul style="list-style-type: none"><li>• Complete transfer to preferred model of operation prior to expiry of contract with current provider</li></ul>
<b>Housing Regulation</b>	<ul style="list-style-type: none"><li>• Ensure the Council is compliant with the new Regulator of Social Housing requirements</li></ul>

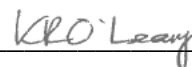
## 8. Certification

- 8.1 To the best of our knowledge, the Council's governance arrangements have operated effectively throughout 2023-24.
- 8.2 The Council will continue to be vigilant to risks to our operations, address these accordingly, and further enhance our governance arrangements as appropriate.
- 8.3 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.
- 8.4 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.
- 8.5 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: 24 February 2025

24 February 2025



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

