



# Draft Annual Governance Statement 2022/23

# Annual Governance Statement: Year Ended 31<sup>st</sup> March 2023

## 1) Scope of responsibility

The 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 used economically, efficiently and effectively. In discharging this overall responsibility, the Council has put in place arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

This Annual Governance Statement provides an overview of the Council's key governance systems and explains how they are tested and the assurance that can be relied upon to show that those systems are working effectively. The statement comprises an overview of the key elements of its governance framework and what evidence has been received in order to determine the effectiveness of the Council's governance arrangements. In addition the statement contains an update on areas for improvement which were identified last year together with proposed areas for improvement for the coming year.

### *What is Corporate Governance?*

Corporate governance refers to the processes by which organisations are directed, controlled, led and held to account.

Rossendale Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Rossendale Borough Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

CIPFA's framework for Good Governance in the Public Sector defines the principles against which the Annual Governance Statement reports:



## 2) The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority 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.

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 authority'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.

The governance framework has been in place at Rossendale Borough Council for the year ended 31 March 2023 and up to the date of approval of the annual report and statement of accounts.

During this period the Council has continued to deal with the recovery from the COVID-19 pandemic. The pandemic continued to impact both operationally and strategically and the Council sought to meet the challenges presented by the pandemic whilst continuing to implement Government policy changes.

## 3) The Governance Framework

Key elements of the systems and processes that comprise the authority's governance include arrangements for:

**Principle A:** *Behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law*

The Council has a formal Constitution which is reviewed annually, amended as required and made publicly available on our website at [www.Rossendale.gov.uk](http://www.Rossendale.gov.uk). The Constitution sets out how we operate, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for us to choose.

The Constitution includes the following documents which provide guidance for officers and Councillors on the standards of behaviour expected to ensure integrity:

- Code of Conduct for Members (Councillors)
- Code of Conduct for Employees
- Roles & Functions of all Councillors

The Council's Monitoring Officer maintains the Codes of Conduct up to date and investigates any suspected breaches. Alleged breaches of the Members Code of Conduct are conducted in accordance with an agreed protocol. Councillors sign a formal declaration agreeing to abide by the Code of Conduct. For staff, the Employee Handbook sets out the requirements and standards expected and this forms part of the staff induction process.

The Council also has established a set of core values which are intended to underpin all that we do. These are published as part of our Corporate Plan and include the following ethical values:-

- Pride - We take pride in the way we help our residents and are proud to work for the council
- Passion - We are ambitious for Rossendale, enthusiastic and want to improve resident's lives
- People - We work together, treat everyone with respect and take ownership of problems

Underpinning everything we do is our commitment to equality, diversity, transparency, inclusion, sustainability and value for money.

Staff and Councillors are made aware of other policies relevant to this principle of the framework including the Council's Anti-Fraud and Corruption, Bribery and Whistleblowing Policies. These arrangements are reviewed and reported on via the Council's Audit and Accounts Committee, being the Committee charged with oversight of the governance arrangements at the Council. At the heart of these policies is the requirement for all relevant parties to act with integrity.

There have been no standard complaints in year that have raised any serious concerns in respect of Member behaviour.

All Councillors have to register and declare certain pecuniary interests such as employment, land holdings and contracts with the Council. The register of interests is available on our website at [www.rossendale.gov.uk](http://www.rossendale.gov.uk). Councillors must declare such interests at meetings which they attend. There are also procedures laid down for staff and Councillors relating to the receipt of gifts and hospitality.

All Council decisions have to consider legal implications. These are set out in reports to Councillors which are published on the Council's website. The Council's Constitution sets out the responsibility for decision-making. Certain decisions are reserved to full Council with others delegated to the Cabinet or other Committees each acting in accordance with parameters set out in the Constitution.

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. The Council's legal team will advise on the legal implications of proposed decisions and where necessary will engage external legal advisors. The Council's Monitoring Officer and Section 151 Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to Councillors.

### **Principle B: *Ensure openness and comprehensive stakeholder engagement***

Our Corporate Plan identifies and reiterates our commitment to working with partners, volunteers, and our residents. Performance management against key actions, performance measures and risks represent an essential part of our assurance and accountability process to our residents and our partners.

All decisions of the Council are made in accordance with principles laid down in the Constitution and include the following:-

- a presumption in favour of openness
- explanation of the options considered and the reasons for decisions.

All meetings of the Council, Cabinet and other Committees are open to the public.

Agenda papers and reports together with the Minutes of all meetings are publicly available on the Council's website unless they are exempt from publication.

The Council's guidance on, the role of a Councillor, contains the following which reinforces the importance of openness requiring Councillors to:

- Contribute to the governance of the area and actively encourage community participation and citizen involvement in decision making

The Code of Conduct for Councillors also outlines the following requirements:-

Councillors must:

- Impartially exercise their responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence

- ensure that public resources are used prudently in accordance with the Councils requirements and in the public interest.

The Council undertakes consultation on specific topics. The Council also makes use of social media via Facebook, Instagram and Twitter.

The Council is committed to publishing information freely and to develop further our culture of openness and transparency and publishes information 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.

Partnership working is important and the Council has in place a wide range of arrangements ranging from small scale local groups (e.g. Civic Pride groups) to larger and more formal partnerships (e.g. public/private partnership with Rossendale Leisure Trust and Capita).

**Principles C & D – *Defining outcomes in terms of sustainable benefits (economic, social and environmental) and determining the interventions necessary to achieve them.***

The Council's strategic vision for the Borough is set out in our Corporate Plan. Our vision is *To have a thriving economy, built around our changing town centres, creating a quality environment for all and improving the life chances of all those living and working in our borough*. We aim to achieve this by working on our four priority areas:

- Thriving Local Economy
- High Quality Environment
- Healthy and Proud Communities
- Effective and Efficient Council

Underpinning our Corporate Plan are robust business plans for each of our service areas. These detail how we will deliver the strategy, our vision and priorities. They also detail how we will continue to deliver services to our residents and meet our financial challenges.

In December 2021 the Council adopted its Local Plan, this was a major milestone in setting out the spatial policy for the Borough. By adopting the Local Plan the Council is able to bring forward its strategic aims, ensure it has greater control over the development that takes place in the Borough and that it is accompanied by appropriate infrastructure improvements as well as other local facilities and is of a design suitable for Rossendale. It will also assist in addressing the Council's climate change priorities as well as meeting the needs of the Borough's residents. Linked to this the Council has gone on to develop and publish a series of development management policies against which to measure planning applications.

Service areas are required to set, monitor and manage agreed targets for performance. Performance against and achievement of expected outcomes is monitored regularly via the Council's corporate performance management system and reported quarterly to Councillors and the Management Team. Where expected performance is not being achieved intervention measures are considered and implemented where appropriate.

In relation to the buying of goods and services, staff must comply with the Council's Contract Procedure Rules. These set out relevant considerations when reaching decisions on award of contracts and include relevant environmental and sustainability aspects including the achievement of 'social value' in addition to cost.

Decisions on the overall level of resources allocated are taken by the Council following recommendations from the Cabinet. Resources and spending plans are critically reviewed to optimise their use and level of fit with the Council's objectives. Financial planning arrangements are well established and underpinned by a four year forward projection as part of the Council's medium term financial planning arrangements. This includes both capital and revenue budgets.

## **Principle E - *Develop the entity's capacity, including the capability of its leadership and the individuals within it***

At the heart of this principle is the Council's commitment to *'Have a skilled and happy workforce, where we are able to retain and attract good staff'*. The aim is to ensure that, as an organisation, we are suitably placed to deliver the priorities identified for Rossendale and its residents. To do this we will employ the right people with the right skills in the right job. We will maintain robust financial processes, standards and systems optimising the technology and resources we have available to us, making us more efficient and effective in our service delivery and becoming digital by default.

In recent years the Council has invested in training programmes to enhance organisational development, develop leadership skills and promote a coaching culture with staff at all levels encouraged to be innovative and challenge the normal way of doing things. All staff take part in annual personal development reviews which include consideration of their individual training and development needs. A range of training methods and resources are applied and feedback is actively encouraged to assess the benefit of investment in training. The Council has developed a Training and Development plan, organisational development strategy and a wellbeing strategy. Training is available for Councillors including induction and topic specific matters in addition to what is available from organisations such as the Local Government Association.

Capacity is enhanced via a range of partnerships and collaborative arrangements, as well as our commissioning and procurement processes through which the Council operates a mixed economy approach to delivering services in the most effective and efficient way. Service delivery models include, in-house, external outsourced (CAPITA Revenues & Benefits Partnership), transfers to external partners (Rossendale Leisure Trust). On a regional and sub-regional basis the Council works closely with the Lancashire Enterprise Partnership and Pennine Lancashire bodies notably in areas such as economic development, regeneration and skills/training. It also works closely with local colleges on training provision.

Leadership roles are well defined at the Council for staff and Councillors, distinguishing for example the role of Council Leader and the officer being the Head of Paid Service (i.e. the Chief Executive). A protocol is included in the Council's Constitution which reflects the principles underlying the respective Codes of Conduct which apply to Members and Employees. The shared object of these codes is to enhance and maintain the integrity of local government and therefore, demands high standards of personal conduct.

The Council is committed to a culture of continuous improvement and has a focus on service delivery and effective performance management. Peer learning is encouraged and in November 2021 the Council undertook a Peer Challenge review led by the Local Government Association to provide an assessment and feedback on,

- Corporate and placed-based prioritisation
- Climate Change
- Governance/Commercialisation.

The Organisational Development Strategy acknowledges the essential role staff play in the Council's ability to deliver effective services; thus wanting to ensure that every employee fulfils their potential and takes advantage of the development opportunities available to them.

Sustaining organisational resilience is increasingly challenging at a time when headcount is reducing in response to ongoing resource constraints. Set against this, the importance of supporting staff health and well-being is acknowledged and a suite of policies and procedures are in place to help staff maintain their own physical and mental well-being. Examples include the family friendly policy and the operation of flexible working for most staff. In addition the Council has invested in an Employee Assistance Programme to provide staff with access to a variety of support and guidance to aid their wellbeing.

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

The maintenance of systems and processes to identify and manage the key strategic and operational risks is integral to the achievement of the Council's objectives. The Council's **risk management framework** continues to evolve and presently includes the following arrangements:-

- Risk Management Strategy
- arrangements for the Strategic Risk Register comprising corporate risks assigned to designated officers, with appropriate counter-measures and an action plan established for each key risk
- Frequent review of risks in-year with reports to the Council's Management Team, Cabinet and the Audit and Accounts Committee
- the use by Internal Audit of a risk based approach in the preparation and delivery of the internal audit plan
- the requirement for Officers of the Council to consider risk management issues when submitting reports to Committee for consideration by Councillors
- a suite of policies and procedures in relation to Whistleblowing, Anti-Fraud and Corruption, and Anti-Money Laundering
- a suite of Business Continuity Plans are in place, i.e. Rossendale Emergency Plan, Service Area Business Plans and a Business Recovery Plan for critical services
- Councillors and officers have previously been trained in risk management and the Leader of the Council is briefed on the strategic risks faced by the Council. Managers have the responsibility for the effective control of risk, and all service plans have a section on risk management.
- Corporate Governance including risk management, incorporating the key strategic risks for the Council, are the subject of quarterly reports to Cabinet and the Audit and Accounts Committee.
- The Corporate Management Team review the Corporate Risk Register to ensure that risks are being actively monitored and managed and risk scores are included for all identified strategic risks as a means of providing much greater focus on those areas where risk management can be effective. Details of changes are reported to the Audit and Accounts Committee.
- The Chief Executive, as the Council's Head of Paid Service, is responsible for the corporate management of the Council, taking an active role in the corporate governance arrangements, including the organisation of the Council's staff and ensuring that appropriate internal control mechanisms are in place to achieve the Council's objectives in the most economical, efficient and effective way.
- The Head of Legal is appointed the Council's Monitoring Officer. The appointment of a Monitoring Officer is required in accordance with Section 5 of the Local Government and Housing Act 1989. It is the function of the Monitoring Officer to report to Members upon any contravention of any enactment or rule of law or any maladministration by the Authority. The Monitoring Officer also has responsibilities under the Council's Ethical Framework relating to the Members' Code of Conduct and the Standards Regime.
- The Chief Financial Officer is designated as the officer with statutory responsibility for the proper administration of the Council's financial affairs, in accordance with Section 151 of the Local Government Act 1972.
- The three statutory officers referred to above have unfettered access to information and to Councillors on the Council so that they can discharge their responsibilities effectively. The functions of these Officers and their roles are clearly set out in the Council's Constitution. In particular, the role of the Chief Financial Officer at the Council accords with the principles set out in CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

An established **financial management framework** comprising the following:-

- Financial and Contract Procedure Rules as part of the Constitution
- Medium term financial planning using a four-year cycle, updated annually, to align resources to corporate priorities

- Service and financial planning integrated within the corporate performance management cycle
- Annual budget process involving scrutiny, challenge and consultation
- Annual review of the adequacy of the level of financial reserves
- Regular monitoring by management of revenue and capital budgets with reports to Management Team and Cabinet
- Annual reports to Councillors on both the final revenue and capital out-turns compared to the approved budget
- Continuous challenge of the scope for securing efficiencies and service improvements
- Production of an annual Statement of Accounts compliant with the requirements of local authority accounting practice
- Compliance with the requirements established by CIPFA, the public sector accountancy body
- A regular review of the Council's Financial Management arrangements.

During 2022/23 the financial context of the Council worsened considerably due to inflation for utilities, supplies and services and the pay award. In addition, an increased demand for services in response to the cost-of-living crisis has led to considerable in-year and future year pressures.

A **performance management framework** which provides an explicit link between the corporate priorities and personal objectives of staff and their training and development needs. Performance is reported to Councillors and the Management Team on a systematic basis with areas of poor performance investigated proactively. Key features of the Performance Management Framework include:-

- An annual review of the Corporate Plan to ensure that priorities are reviewed, remain relevant and reflect the aims of the Council
- Service Plans produced with explicit goals and associated performance targets in order to ensure that achievement of performance is measurable
- The Council's staff appraisal system – Annual Personal Development Reviews link personal objectives directly to Service Plans
- Regular reports on the performance of key indicators which are presented to Councillors and Officers

Significant projects are controlled by project management techniques and overseen by a Programme Board. The Board meets quarterly and receives updates on project performance and delivery.

An **Information Governance Framework** which sets out the way we handle and process information, in particular, the personal and sensitive data relating to residents, suppliers and employees. Key features of the information governance framework include:-

- A suite of policies and procedures on the Council's Information Security which are available on the Intranet for all staff to review
- Arrangements for document management and retention
- A Data Protection Policy and Procedure with nominated staff responsible for providing advice and guidance on Data Protection matters
- Compliance with the Local Government Transparency Code and provision of Open Data on Council website
- A system for dealing with requests for information submitted to the Council under the Freedom of Information Act 2000 (including a regular review of the Council's Publication Scheme)
- Regular reviews of the Council's Information Governance and Security arrangements by Internal Audit and external assessors.

The Internal Audit function operates in accordance with the statements, standards and guidelines published by the Auditing Practices Board, CIPFA (particularly the Public Sector Internal Audit Standards) and the Institute of Internal Auditors. The Internal Audit function examines and evaluates the adequacy of the Council's system of internal control.



The Council has partnered with Lancashire County Council (LCC) for the delivery of the Internal Audit function. LCC provide an independent and objective appraisal function for reviewing the system of internal control. This is in compliance 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. This work is delivered by way of a Strategic Audit Plan developed using a risk-based approach. The Internal Audit plan is agreed and monitored by the Audit and Accounts Committee. The Audit Manager is required to give an opinion on the adequacy of the Council's system of internal control each year and report to the Audit and Accounts Committee. This Committee can make recommendations or highlight any matters requiring attention to the Cabinet and Council.

Lastly, each member of Management Team is required to sign an Assurance Statement in relation to a range of key controls operating in their area of work. This specifically seeks assurance from Senior Managers 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.

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

Reports to meetings of Council, Cabinet and other committees are publicly available on our website with the Minutes also published showing what decisions have been taken and the reason(s) why. Other forms of public accountability reporting include the annual Statement of Accounts, the Council's Annual Report and in year financial and performance monitoring reports. Reports from external audit are also published online including their annual report setting out the findings resulting from their audit of the accounts.

The Council reports performance against targets and financial targets on a regular basis. The Internal Audit service complies with the requirements of the Public Sector Internal Audit Standards and has direct access to Councillors and all staff in order to discharge its responsibilities.

The Council publishes information in accordance with the Local Government Transparency Code. The Council's website includes a section on Access to Information, which is about being transparent, sharing our information with the wider community, and giving them the opportunity to use that data to build useful applications.

The Council welcomes peer challenge reviews and inspections from regulatory bodies and will act on any recommendations arising as appropriate.

## **4) How the Council Gains Assurance/Review of Effectiveness**

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the system of internal control. This review of effectiveness is informed by the work of the Council's Management Team who have a responsibility for the development and maintenance of the governance environment, the Audit Manager's Annual Report on Internal Audit also reports from the external auditor and any other review agencies and inspectorates.

The purpose of a review is to identify and evaluate the key controls in place to manage principal risks. It also requires an evaluation of the assurances received, identifies gaps in controls and assurances and should result in an action plan to address significant internal control issues.

During 2022/23 work undertaken to maintain and review the effectiveness of the Council's Governance Framework included the following:-

- The Council's Monitoring Officer and the Council in general oversee the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution was most recently reviewed by full Council in June 2022.
- The Council's decision making arrangements operated according to the Constitution, either through the Council, Committees or the Scheme of Delegation. Decisions arising

from these arrangements have been published on the Council's website as required. Where decisions were taken under the Exercise of Urgent Business Protocol these were documented as appropriate.

- The arrangements for scrutiny operate via the Overview and Scrutiny Committee as required, allowing for the review of key policy areas and providing opportunities for public involvement in specific matters of business. This committee receives reports from the Task & Finish group. During 2022/23 the committee didn't receive any reports from the Task & Finish group.
- Further scrutiny of Cabinet decisions is also provided by the Council's Call-In procedures. However where possible Overview and Scrutiny Committee are given the opportunity to input into policies and procedures prior to presentation to Cabinet.
- The Council has operated a Standards regime consistent with the requirements of the Localism Act 2011 during the year.
- The Audit and Accounts Committee met throughout the year and received various reports on the progress by External and Internal Audit against their respective work plans. The Internal Audit annual report was presented to the Committee in July 2023, in which the Council received **Moderate** Assurance overall on the adequacy of design and effectiveness in the operation of the council's framework of governance, risk management and control. The equivalent report was submitted to the Accounts and Audit Committee in July 2022, also receiving **Moderate** Assurance.
- There have been no formal reports during the year from either the Council's Monitoring Officer or Section 151 Officer on matters of legality or financial related concerns. There were also no objections from local electors in respect of the financial statements and supporting information for the previous financial year.

## 5) Dealing with Last Year's Key Improvement Areas

Last year's Annual Governance Statement highlighted the following areas for improvement. The narrative below sets out the action has been taken to address these issues in the current year:

Area of Concern	Progress Update
A review of the Councils Contract Procedure Rules, this will be led by the Chief Finance Officer and is due for completion at the end of January 2022.	The review was delayed and is now due to be completed in summer 2023. This will include a revised governance process around above threshold contracts and waivers.
The Council continues to recognise the current and future financial challenges in its strategic risk register and MTFs. The 2021 Autumn Spending Review set out three year Department Expenditure Limits for Government Departments but the Local Government Settlement covered just 1 year (2022/23). The situation is further complicated by the unknown outcome of the Government's Comprehensive Spending Review and the delayed Fair Funding Review, therefore there remains a high degree of funding uncertainty within the MTFs. The ongoing Empty Homes scheme also continues to place additional pressure on the MTFs. There is a need to prioritise	In February 2022 the Council agreed a balanced budget for 2022/23, which included a combination of savings and growth items. However the economic crisis and increased inflation, over which the Council has no control, has had a significant adverse impact on the Council's financial position. There also remains uncertainty of the forward estimates of core funding within the MTFs beyond 2022/23 pending the outcome of the Government's Comprehensive Spending Review and the delayed Fair Funding Review. In 2021/22 the Council implemented a 4 year efficiency plan in an attempt to address the funding gap in future years, however further savings will be required in order to achieve a balanced budget. The

<p>resources effectively and identify further efficiency options for the Council to consider as part of the next MTFS to achieve a balanced budget over the medium term. The Council will continue to meet these challenges as it has done in the past, taking steps to manage this by considering modernisation and rationalisation.</p>	<p>Empty Homes Scheme also continues to add to the Councils financial pressures. The progress of the savings plan and the Empty Homes scheme are tightly monitored as part of the Councils embedded financial monitoring process and reported to Cabinet quarterly. The further savings requirements will be reviewed as part of the development of the Council's next MTFS.</p>
<p>The Council is working on a digital strategy with the aim of digitally transforming our services and our approach to Customer Excellence. The strategy will underpin the delivery of our Corporate Plan, being an integral part of transforming the way in which the council delivers its services and how the Council is perceived by residents. This strategy will provide an ambitious vision and work programme which will help transform our approach to delivering services to the residents of Rossendale.</p>	<p>The strategy was adopted in July 2021. During 2022/23 digitalisation of the Council continued to be delivered through the implementation of Citizen Access for Housing, Benefits and Revenues, along with an updated corporate telephony and contact centre application with streamlined customer messaging. Development of the new council website is also progressing as per plan.</p>
<p>During 2022/23 the Council will develop and approve a new Housing Strategy to provide a clear focus on both private sector, rented homes and increasing opportunities to work with registered providers meeting specialist housing needs.</p>	<p>Due to staff turnover within the housing team the strategy was delayed and was adopted by Council in July 2023.</p>
<p>Development work will be undertaken with Overview and Scrutiny members to enable clearer focus on strategic issues to support strategy development. All new strategies will be considered by the Overview and Scrutiny Committee at an early stage to enable identification of strategic priorities for the strategy to be developed appropriately.</p>	<p>External training was carried out for all Overview and Scrutiny members in June 2023. All new strategies are considered by Overview and Scrutiny.</p>
<p>Due to staff turnover there have been delays in producing the annual statement of accounts for 2020/21 and 2021/22. A plan to publish the outstanding accounts will be produced.</p>	<p>A plan has been implemented with the aim of publishing all outstanding draft accounts by the end of September 2023.</p>
<p>The Council has a significant backlog of unaudited accounts. The Council will work</p>	<p>The CFO is working with the Auditors to devise a plan to bring the audit of accounts in line with statutory requirements.</p>

with Mazars to agree a plan to bring the audits up to date.	
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## 6) Key Areas for Further Improvement

Building on the improvements in 2022/23 the Council has reviewed the governance arrangements and identified the following areas where it wishes to see improvements in 2023/24:

- Financial Resilience - there are significant financial challenges facing the Council in 2023/24, with very little financial flexibility. Additional potential budget options were presented to full Council in June 2023, however beyond that there is little scope for achieving additional in-year savings.

Monitoring of the 2023/24 budget will be undertaken and reported to CMT on a regular basis to determine the corrective action required to balance the budget and protect the level of general reserves.

- Procurement Compliance – review of the procurement support required will be completed by summer and the revised Contract Procedure Rules will be adopted, this will be followed by procurement training for officers.
- Statement of Accounts Publication - due to staff turnover there have been delays in producing the annual statement of accounts. A plan is in place to ensure publication of all outstanding draft accounts by the end of September 2023.
- Accounts Audit - the Council has a significant backlog of unaudited accounts. The Council will work with Mazars to agree a plan to bring the audits up to date.
- Performance Management including Programme Board will be refreshed – there will be more focus on performance management rather than just performance reporting, to ensure that appropriate action is taken within year to address underperformance.
- Risk Management – the strategy and the Corporate Risks will be reviewed, with a cross party working group to be set up including members of the Audit & Accounts Committee and senior officers.
- Policy Framework refresh – ensure all policies are reviewed and updated where necessary.

## 7) Conclusion

Some of the governance improvements proposed for 2022/23 were delayed as a result of staff turnover, however a number of these are set to be fully implemented and reported to Members imminently. Details of progress are reported above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for 2023/24 improvements identified and will monitor their progress, implementation and operation as part of our next annual review.

### Signed:

On behalf of Rossendale Borough Council

Alyson Barnes

Leader of Council

Rob Huntington

Chief Executive