

# Annual Governance Statement 2021-22

## 1. SCOPE OF RESPONSIBILITY

- 1.1. Guildford Borough Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs to facilitate the effective exercise of its functions, including arrangements for the management of risk.
- 1.3. The Council has considered the principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government (2016)*, including compliance with the CIPFA publication on *The Role of the Chief Financial Officer in Local Government (2016)* in the preparation of this statement.
- 1.4. This statement explains how the Council has complied with the code and meets the requirements of regulation 4 of the Accounts and Audit Regulations 2015 in relation to internal control.

## 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture, and values by which the authority is directed and controlled and the activities through which it accounts to, engages with, and leads the community. 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, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31 March 2022 and up to the date of approval of the statement of accounts.

## 3. GOVERNANCE FRAMEWORK

- 3.1 The Council is a complex organisation with an appropriately comprehensive governance framework that works in a dynamic environment and keeps its processes under constant review. A description of how the Council puts the

principles of good governance, set out in the CIPFA/SOLACE framework into practice is set out in the following table along with recent achievements, developments, and areas for improvement.

## Principles of Good Governance

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

## Arrangements the Council has for delivering good governance

- Council's Constitution, includes:
  - Council procedure rules for conduct at meetings
  - financial and procurement procedure rules
  - codes of conduct for Officers and Councillors
  - protocol on decision making by lead councillors
  - Protocol on Councillor/Officer Relations
  - arrangements for dealing with allegations of misconduct by councillors
  - Probity in Planning Councillors' Handbook
- Induction for new councillors and staff on standards of behaviour expected
- Guidance on use of social media and email signatures issued to councillors
- Staff performance framework includes behavioural framework & behaviour profiles are included within job descriptions
- Declarations of interest made and recorded at meetings
- Register of councillors' interests maintained
- Register of gifts and hospitality maintained for Councillors and staff
- Anti-Fraud and Corruption Strategy
- Anti-Bribery Policy
- Whistle blowing policy

## Recent *achievements, developments and areas for improvement*

*The Corporate Governance and Standards task group has continued to meet during 2021-22 and reported on its progress to the Committee in June 2022.*

## Principles of Good Governance

### Arrangements the Council has for delivering good governance

- Corporate Management Team monitor compliance with laws and council policies
- Officer health and safety group in place to monitor health and safety compliance
- Complaints policy in place
- Customer services manager monitors and reports on complaints performance to corporate management team and CGSC as part of the Corporate Performance Monitoring report
- Corporate Governance and Standards Committee (CGSC) in place whose remit is set out within the Constitution
- Overview and Scrutiny Committee (OSC) review of decision making
- Executive agendas now include as a standing item 'Recommendations made by the Overview and Scrutiny Committee to the Executive', to enable The intention of this document is to collate and track progress of all throughout the year, and to log the Executive decisions on the submitted matters. The Executive's agreed response to the recommendations will be fed back to the Overview and Scrutiny Committee, and relevant officers.
- Procurement strategy adopted in June 2020, policy and toolkit in place, revised procurement procedure rules approved in May 2021
- An officer Corporate Procurement Board (CPB) monitors compliance with the procurement strategy and policy
- All committee reports to Executive and Council require review of legal and financial implications to be completed and signed off by Monitoring Officer (MO) and Chief Finance Officer (CFO)
- Executive Advisory Boards in place to advise Executive on matters of strategic importance to the Council
- Monitoring Officer provisions in place

### Recent achievements, developments and areas for improvement

*Corporate Procurement Board has met fortnightly throughout 2021-22 to improve governance arrangements around procurement, particularly where exemptions have been applied.*

*Audit of Procurement in 2021-22 found significant assurance with minor improvement opportunities*

**Principles of Good Governance**

**Arrangements the Council has for delivering good governance**

**Recent *achievements, developments and areas for improvement***

B. Ensuring openness and comprehensive stakeholder engagement

- The Council's vision and priorities are set out in the corporate plan adopted 1 November 2021. Public consultation undertaken on priorities in 2020.
- Consultation policy and community engagement strategy in place which adheres to consultation standards
- Freedom of Information Act performance monitored by corporate management team and CGSC. Log of FOI responses is published on the website
- Online council tax information published
- Transparency information published on website
- Records of decision making maintained and published on website
- Forward programme of committee meeting dates and agenda items published on-line with reporting dates adhered to
- Citizens' panel in place and consulted with
- Active programme of focus groups and surveys undertaken for specific service initiatives
- Active use of social media and on-line tools to engage customers
- Consultation responses published on the Council's website (e.g., Local Plan)
- Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board, Local Enterprise Partnership (EM3) and service specific partnerships

**Principles of Good Governance**

**Arrangements the Council has for delivering good governance**

**Recent achievements, developments and areas for improvement**

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

- Corporate Plan 2021-2025 which sets out the Council's vision, key themes and priorities
- Performance Monitoring Reports against corporate plan priorities reported to Corporate Management Team and CGSC
- New Programme and project management system in place, and undergoing development
- Community engagement strategy
- Corporate risk register and new risk management strategy agreed April 2022
- Financial risk register in place and used to inform the financial sustainability of the budget and adequacy of the level of reserves
- Monitoring of key performance indicators undertaken by corporate management team
- Committee report template now includes Climate Change/Sustainability Implications
- Business planning process and capital programme development aligned to the corporate plan through the new service planning and project and programme governance framework, bids for funding scored against achievement of corporate plan priorities

*Internal audit of performance monitoring in 2021-22 assess as significant assurance with minor improvements which is an improvement from 2020-21 when it was assessed as partial assurance.*

**Principles of Good Governance**

**Arrangements the Council has for delivering good governance**

**Recent *achievements, developments and areas for improvement***

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

- Medium term financial strategy and plan in place, reviewed annually and published as part of the Council's budget book
- Business planning process in place to align financial resources with corporate plan priorities
- New mandate and business case process introduced for new projects and policies
- Business planning guidance for managers in place and reviewed annually
- Scrutiny of the budget and business planning bids by Joint Executive Advisory Board
- Forward Plan maintained on a rolling 12-month basis
- Regular corporate management team and Executive liaison meetings held to discuss strategy
- Directors and senior officers hold regular meetings with Lead Councillors
- Corporate management team hold regular directorate level feedback sessions.
- Service Leaders' group in place.
- Officer Enterprise Portfolio Board in place which monitors the corporate programmes, savings programme and ICT and Digital development programmes.
- Major Projects Portfolio Board in place to monitor the delivery of major projects, with Housing, Capital, transport and Infrastructure and other sub-boards.

## Principles of Good Governance

### Arrangements the Council has for delivering good governance

- Property Review Group in place to review all assets on a rolling programme and optimise property asset utilisation and performance.
- Capital Programme Monitoring Group in place to monitor progress of capital projects, which are not major projects.
- Consequences of COVID Pandemic and the Council's response monitored regularly by Overview and Scrutiny Committee throughout the year.

### Recent achievements, developments and areas for improvement

*New Joint Appointments Committee and Joint Governance Committee being put in place to oversee the Guildford – Waverley collaboration project. Heads of terms of Inter Authority Agreement agreed between the two councils.*

### E. Developing capacity, including the capability of leadership and the individuals within it

- Organisational development framework includes continuous performance and development reviews of staff through one-to-one meetings and clear job role profiles with behavioural profiles.
- The Constitution sets out the role of statutory officers and the role of the Leader.
- The Council is compliant with CIPFA guidance on the Role of the Chief Finance Officer (CFO).
- Head of Paid Service (HoPS), CFO, and MO are part of the corporate management team and always attend Executive-Management Team Liaison Group and full Executive meetings.
- Professionally trained staff in relevant fields in place and continuing professional development encouraged as part of performance and development framework
- Regular staff development training programme in place
- Active support for staff to obtain external qualifications
- Scheme of delegation and financial procedure rules in place

Financial Procedure Rules still need to be reviewed in 2022-23



## Principles of Good Governance

### Arrangements the Council has for delivering good governance

- Councillor development steering group in place which develops and implements an active programme of Councillor training
- Achievement of the South East Charter accreditation for Elected Member Development (January 2020)
- Recognition of the importance of and active engagement in key strategic partnerships such as Guildford Surrey Board, Health and Wellbeing Board Local Enterprise Partnership (EM3) and service specific partnerships
- Work with partners through the Local Resilience Forum

### F. Managing Risks and performance through robust internal control and strong public financial management

- Internal audit work programme informed by risks
- Internal audit is outsourced, fully resourced and effective
- Compliance with the CIPFA code on managing the risk of fraud and corruption
- Role of the Overview and Scrutiny committee is clearly set out in the constitution and its work programme is developed by the chairman, vice-chairman, and officers and agreed by the committee. Agendas and minutes are published online.
- Compliance with the CIPFA Financial Management code
- Corporate Management Team oversees key governance, data protection and risk management information and receives reports from the health and safety group
- Role of the Corporate Governance and Standards Committee (CGSC) is clearly set out in the Constitution and has an active work programme informed by officers and agreed by the committee. Agendas and minutes are published online.

### Recent achievements, developments and areas for improvement

*Following partial assurance audit in 2020-21, the revised risk management strategy and framework has been adopted by CGSC in April 2022.*

*Review of audit committee effectiveness in 2021-22 found significant assurance with minor improvements. In response to the minor audit recommendations the terms of reference are being updated for CGSC and a new annual report to Council will be introduced.*

*Audit of the Council's compliance with the CIPFA Financial Management Code in 2021-22 found significant assurance with minor improvement opportunities*

## Principles of Good Governance

### Arrangements the Council has for delivering good governance

### Recent *achievements, developments and areas for improvement*

- A summary of internal and external audit reports is reported to CGSC on a regular basis along with annual internal audit opinion
- Progress against audit plan and individual audit recommendations are monitored and reported to CGSC
- The Council has comprehensive data protection policies and a designated data protection officer who monitors compliance with legislation
- Information security risk group, led by the Senior Information Risk Owner in place which reviews the Council's information governance procedures and any necessary improvements
- CGSC receives regular financial monitoring reports
- All projects require a risk register and project board

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

- The Council publishes significant information on its website
- 'Style guide' in place to encourage officers to write reports in plain English
- Annual financial statements include a narrative summary on the Council's performance during the year as well as reporting the financial position
- Effective internal audit function in place which complies with public sector audit standards and the CIPFA statement on the Role of the Head of Internal Audit
- Community engagement strategy in place
- The Council has reaffirmed, and adopted as best practice, the position that all committee reports are made public unless there are unequivocal legal or commercial reasons to the contrary and that where practicable, information within a report which is legally exempt from publication should be isolated from the body of the report as a restricted appendix, with the remainder of the report made available to the public.

*The Council does not currently produce a formal annual report; however, the CFO's Narrative Statement in the Council's Statement of Accounts reports the majority of information that an annual report would be expected to cover.*

*The Council is compliant with the mandatory elements of the Local Government Transparency Code 2015 in respect of the publication of data.*

**Principles of Good Governance**

**Arrangements the Council has for delivering good governance**

**Recent *achievements, developments* and areas for improvement**

- All restricted committee reports now clearly and precisely state at the point the agenda is published all of the following:
  - (a) why the content is to be treated as exempt from the access to information publication rules.
  - (b) to whom within the Council the content is restricted
  - (c) when, following a period of exemption, the exempt information can be expected to be made public.
  - (d) details of how the decision to maintain the exemption may be challenged.
- Working group reports and minutes made available to all councillors.
- Executive agendas now include as a standing item 'Recommendations made by the Overview and Scrutiny Committee to the Executive', to enable the Executive to agree a response to any such recommendations promptly and for the recommendations and responses, including progress with implementation, to be tracked throughout the year.

The Corporate Governance Task Group, referred to above, will also be examining proposals to promote transparency and effective communications

## 4. REVIEW OF EFFECTIVENESS

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (HoIA) annual report, and by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. The HoIA is required to provide an annual opinion in accordance with Public Sector Internal Audit Standards (PSIAS), based upon and limited to the work performed on the overall adequacy and effectiveness of the Council's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk-based programme of work, agreed with Management and approved by the Corporate Governance and Standards Committee, which can provide assurance, subject to the inherent limitations.
- 4.3. The purpose of the HoIA Opinion is to contribute to the assurances available to the Accountable Officer (the Chief Finance Officer) and the Council which underpin the Council's own assessment of the effectiveness of the system of internal control. The opinion does not imply that the HoIA has covered all risks and assurances relating to the Council. The opinion is derived from the conduct of risk-based plans generated from a robust and Management-led Assurance Framework. As such it is one component that the Council takes into account in writing this Annual Governance Statement.
- 4.4. The HoIA Opinion for 2021-22 is one of: '**Partial assurance with improvements required**'. Whilst internal audit have noted robust aspects of and improvements in the Council's system of internal control, for example the number of audits with 'significant assurance with minor improvement opportunities' achieved in 2021-22 in respect of core financial control and governance audits, there were three audits that received 'partial assurance with improvements required' which were Right to Buy (RTB) receipts, safeguarding and income and accounts receivable. The Internal Audit team raised two high priority recommendations in 2021-22 as part of the audit of HRA RTB receipts and Income and Accounts receivable that will require prioritised attention in 2022-23. The two high priority recommendations relate to:
- putting in place a formal policy for RTB receipts setting out roles, responsibilities, accountability and ownership of RTB receipts – this policy was approved by the Executive in February 2022 and therefore the recommendation has now been implemented.
  - Improvement to formal procedures and controls to ensure regular monitoring of outstanding debt and subsequent chasing of customers – this recommendation has also now been implemented.

## 5. INTERNAL AUDIT STATEMENT

- 5.1 The HoIA Opinion was presented to the Council's Corporate Governance and Standards Committee on 24 March 2022 ([see HoIA Opinion](#) which forms part of Appendix 1 of Agenda Item 7). In 2021-22, there were 14 planned pieces of work which were completed. The results of the work carried out in the year to 31 March 2022 are shown in the table below:

Assurance Rating	Number of Audits	
Significant Assurance	0	0%
Significant Assurance with minor improvement opportunities	11	79%
Partial assurance with improvements required	3	21%
No Assurance	0	0%
No Opinion (one-off projects) Value for Money	0	0%
In progress (Inc. fundamental service reviews)	0	0%

- 5.2 Internal audit reports provide management recommendations designed to address weaknesses in the system of internal control. The outcomes of these audits are reported on a summary basis to the CGSC every quarter giving councillors an opportunity to understand the Council's compliance with key controls and to discuss any areas of concern with the auditors. We also update councillors on the progress with implementation of recommendations. In 2021-22, Internal Audit raised two high priority recommendations as detailed in paragraph 4.4 above.
- 5.3 During 2021-22 the Council continued to face unprecedented challenges from COVID, with significant and varied operational pressures. In addition, the Future Guildford programme of transformation and re-organisation continued in the early part of the year, finally completing in August 2021. Against this challenging backdrop of the pandemic alongside organisational transformation, during 2021-22 the Council received three 'partial assurance with improvements required' reports however achieved 11 reports with 'significant assurance with minor improvements'.

## 6. SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN

- 6.1. This year has continued to be unprecedented for the second year; the Council has undertaken a period of transformational change whilst at the same time responding to the COVID 19 pandemic and continues to face on-going financial pressures. As a result of this challenging environment, it is recognised that although there has been improvement in the governance arrangements in place we are not back to our pre-transformation and pre-COVID high levels of governance. Where we have identified areas for further improvement, we will take the necessary action to implement changes that will further develop our governance framework.

**Progress on Governance Issues reported in the 2020-21 Annual GovernanceStatement:**

6.2. The significant governance issues arising in 2020-21 and progress made against them are shown in table below:

Area	Actions Agreed	Progress Made
<p>Impact of COVID-19 Pandemic</p>	<p>The government introduced changes to the Accounts and Audit Regulations 2015 as a consequence of the pandemic to extend the statutory audit deadline for 2020-21 and 2021-22 for all local authorities. The publication date for audited accounts will move from 31 July to 30 September 2021 for all local authority bodies</p> <p>The government also made regulations under the Coronavirus Act 2020 to allow councils to conduct meetings and take decisions in ways other than face to face so that decisions can still be made to maintain good governance, and principles of openness and accountability. Remote meetings were then instigated in April 2020 to ensure that transparency and good governance prevailed and also to allow access to the public and press.</p> <p>Procedures were in place to deal with a phased and safe return to work as lockdown restrictions were eased but to also transition the Council to a more agile working policy for the longer term.</p> <p>The continued financial uncertainty regarding government funding was, to a large extent, over-ridden by the financial challenges associated with funding the effects of the COVID-19 pandemic, which created a significant challenge in terms of budget setting and medium-term financial planning.</p>	<p>The accounts for 2020-21 were produced and published on 15 October 2021. The audit of the 2020-21 accounts is still ongoing and is now scheduled for completion in June / July 2022. An update report was presented to Corporate Governance and Standards Committee in April 2022.</p> <p>Remote meetings continued to May 2021 after which face to face and hybrid meetings have been re-instated in line with the end of the temporary regulations.</p> <p>The Council has now produced, adopted and implemented an agile working policy</p> <p>Following concern about a further overspend in 2021-22, an action plan was put in place to return the Council to a balanced or underspent position during the year. Monthly (rather than bi-monthly) financial monitoring was undertaken and will continue for the future.</p>

Area	Actions Agreed	Progress Made
<p>Governance support for GBC Holdings Ltd and North Downs Housing Ltd</p>	<p>Concerns over Finance and Legal involvement in the governance and financial arrangements of the two companies established by the Council. However, the external auditor had acknowledged that the corebusiness processes operated satisfactorily. The Business Plan is currently out of date and is in the process of being reviewed and updated.</p>	<p>The council is continuing to update the Governance arrangements around its companies and this work will continue into 2022-23.</p>
<p>Compliance with the CIPFA financial management code</p>	<p>2020-21 was a 'shadow year' for the implementation of the CIPFA FM Code. As such, an assessment of the extent to which the authority complied with the Code was undertaken by the Director of Resources. The authority is confident that it is generally compliant with the Code but has identified some key areas where improvements could be made</p>	<p>A Further assessment and internal audit of the Council's compliance with the code has been undertaken in 2021-22. The audit found significant assurance with minor improvement opportunities.</p> <p>Financial management training was rolled out to budget managers in 2021-22 with further sessions planned in Q1 2022-23.</p> <p>A review of compliance of the Council with the CIPFA Audit Committee Guidance was undertaken and found significant assurance with minor improvement opportunities</p> <p>A 10-to 30-year budget projection was undertaken as part of the 2022-23 budget process.</p>

Area	Actions Agreed	Progress Made
Risk management	<p data-bbox="611 248 997 640">During 2020-21, an internal audit review of risk management found partial assurance with improvements required. The audit recommended introduction of a consistent council-wide risk management framework. It found that there are no central processes or specific guidance mandating how risk should be managed at a local or project level.</p> <p data-bbox="611 674 997 1189">As a result, the auditors recommended updating the existing 'Risk management strategy and framework' on a more regular basis and communicating this to relevant staff so that there is a clear, consistent approach to risk management. The audit also recommended that a revised risk management framework be implemented; formally devising a plan that unifies the risk management documents, processes and required actions at a corporate and local risk level</p>	<p data-bbox="1029 248 1382 427">A new risk management framework and corporate risk register was agreed by the Corporate governance and Standards Committee in April 2022.</p> <p data-bbox="1029 461 1362 551">Further training on Risk management is being rolled out to staff.</p>



Area	Actions Agreed	Progress Made
Performance Management and Reporting	<p>During 2020-21, an internal audit review of performance management found partial assurance with improvements required. The audit recommended implementation of the internal performance reporting framework through development of the new performance reporting framework – ensuring that there is a clear schedule of KPIs to be reported, including definitions of KPIs, roles and responsibilities for preparation and frequency of reporting. The audit also found a need to improve the collection and quality of data and systems used to calculate some performance indicators.</p>	<p>Performance management framework was fully implemented with regular monitoring reports to CGSC in 2021-22. A further audit in 2021-22 found significant assurance with minor improvement opportunities.</p>
Core Financial Systems	<p>During 2020-21, an internal audit review of core financial systems found partial assurance with improvements required. The audit raised two high priority recommendations related to the availability of evidence to support controls operating. Implementation of Business World coupled with COVID has impacted the availability of the required documentation. Financial records with relevant supporting evidence must be available to demonstrate that the Council has maintained a robust control environment at all times.</p> <p>During 2020-21, the Council has carried out regular payroll reconciliations to ensure that net pay totals are correct and have been reconciled to the payment run summary sheets. However, regular reconciliations of payroll deductions posted into the General Ledger via the payroll control account were not undertaken.</p>	<p>Further audits of the core financial systems in 2021-22 found that the audit recommendations had been implemented and there was significant assurance with minor improvement opportunities with the exception of the Income and Accounts receivable audit which had one high priority recommendation (see below)</p> <p>Regular reconciliation of the payroll deductions to the payroll deductions control account continued to be an issue in 2021-22 but have been resolved in Q1 2022-23.</p>

	<p>BusinessWorld is an integrated Enterprise Resource Planning system and entries into the general ledger via the payroll control account are automatic, so there had been an assumption that reconciliation may not be necessary. Issues recently identified in relation to payroll costing into the general ledger has identified a need</p>	
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- 6.3 In addition, there were a number of follow-up reviews of audits which received partial assurance in 2020-21, which were revisited in 2021-22. The follow up audit revealed that of the recommendations made in the partial assurance audits in the previous year, 6 had been fully implemented, and 13 were not yet fully implemented. These will be subject to further follow up review during 2022-23.

**New Governance Issues arising in 2021-22:**

Impact of COVID-19 pandemic

- 6.4 An ongoing assessment of the impact of the COVID-19 pandemic on the Council's services, finance and systems was undertaken to ensure good governance in 2021-22 with regular reporting to the Overview and Scrutiny Committee. Many of the governance challenges from 2020-21 have been resolved but the pandemic and recovery from the pandemic continues to pose challenges to the financial position of the council.

Compliance with CIPFA Financial Management (FM) Code

- 6.5 2021-22 was the first full year of implementation of the CIPFA FM Code. An updated assessment of the extent to which the authority complies with the Code has been undertaken by the Director of Resources and an Internal Audit of the Council's compliance and its self-assessment has been undertaken. The internal audit found significant assurance with minor improvement opportunities. The authority is confident that it is compliant with the Code but has identified some areas where improvements could be made as follows:
- (a) The self-assessment should be reported to Corporate management team and the Corporate Governance and Standards Committee alongside the Annual Governance Statement.
  - (b) The Council could benefit from a formal external financial resilience assessment
  - (c) Financial benchmarking reports should be reported to Councillors on an annual basis
  - (d) The Council's asset management framework, policy and guidance should be updated along with introducing a formal asset management plan.
  - (e) The Council could consider additional reporting on value for money to members of the public
  - (f) The Council should consider using the IFAC/PAIB appraisal guidance set out in

'Project and Investment Appraisal for Sustainable Value creation: Principles in project and Investment Appraisal (2013) in is project and performance management framework.

### Financial Systems and Processes

- 6.6 During 2021-22, an internal audit review of Income and Accounts receivable found partial assurance with improvements required. The audit raised two recommendations, one of which was a high priority recommendation related to the lack of formal procedures and controls to ensure regular monitoring of outstanding debt and subsequent chasing of customers.
- 6.7 An internal audit of HRA Right to buy Receipts during 2021-22 found partial assurance with improvements required. The audit raised 7 recommendations, one of which was high priority and relates to the lack of formal policy that sets out roles, responsibilities, accountability and ownership throughout the process of monitoring and reporting on the spend of RTB receipts.

### Safeguarding

- 6.8 An internal audit of safeguarding during 2021-22 found partial assurance with improvements required. The audit raised 7 recommendations, five of which were medium priority.

### Guildford – Waverley Collaboration

- 6.9 In July 2021 Guildford and Waverley Councils agreed to collaborate and explore partnership working across the two councils with a view to cutting costs and protecting local services. The Councils agreed to share a Joint Management Team comprising the Chief Executive, Directors, and Heads of Service with a view to exploring further collaboration subject to a business case to do so. The Councils established a joint working group of Councillors to examine the various finance, HR, property, assets, governance, risk and termination considerations for the partnership and drafted Heads of Terms (HoTs) for an Inter-Authority Agreement. The HoTs were approved by both Councils in April 2022. The Inter-Authority Agreement is currently being drafted in accordance with the HoTs.
- 6.10 The Councils have also established a Joint Governance Committee to oversee the governance arrangements for inter-authority working, specifically to undertake periodically a formal review of
- (i) the inter-authority agreement (at least once every 12 months), ensuring it continues to be fit for purpose and recommending to both Full Councils any changes required; and
  - (ii) the collaboration risk assessment (at least once every 6 months), reviewing current and target impact and likelihood scores and making any changes to the list of risks and mitigating actions
- 6.11 The Joint Management Team is currently under consultation and is likely to be appointed and in place by October 2022.

## **7. ASSURANCE SUMMARY**

- 7.1 Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of our area in an equitable and open way. It recognises the standards of behaviour that support good decision-making: collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services and fundamental to showing that public money is well spent.
- 7.2 During 2021-22, the Council faced unprecedented on-going challenges from COVID, with significant and varied operational pressures. In addition, the Future Guildford programme of transformation and re-organisation remained ongoing for part of the year and completed in August 2021. As part of this the Council has undertaken further system development and implementations, most notably going live with a new customer relationship management system, introducing a new income manager module of BusinessWorld and bank reconciliation module. Against this challenging backdrop of the pandemic alongside organisational transformation, during 2021-22, the Council received three 'partial assurance with improvements required' reports, this is an improvement from 2020-21 however there is further improvement to be made.
- 7.3 We confirm, to the best of our knowledge and belief, that this Statement provides an accurate and fair view.

Signed:

Leader of the Council on behalf of Guildford Borough Council

Signed:

Joint Chief Executive on behalf of Guildford Borough Council