Annual Governance Statement

2024/25

Ribble Valley
Borough Council

www.ribblevalley.gov.uk

Annual Governance Statement
2024/25

1.   SCOPE OF RESPONSIBILITY

1.1   Ribble Valley Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

1.2   In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk and for dealing with issues which arise.

1.3   The Council has approved and adopted a Local Code of Corporate Governance, which is reviewed annually and is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). The Local Code is accessible on the Council's website.

1.4   This statement explains how the Council has complied with the Local Code and how it meets the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

1.5   The Council's annual review of the effectiveness of its corporate governance for 2024/25 provides assurance on the governance arrangements in place, the progress made against significant governance issues raised at the last annual review and includes an action plan to address significant governance issues identified through this year's review.

2.   THE PURPOSE OF THE GOVERNANCE FRAMEWORK

2.1.   The governance framework comprises the systems and processes, culture, and values by which the Council is directed and controlled, and its activities through which it accounts to, engages with, and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2.   The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3.   The governance framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

3.   THE GOVERNANCE FRAMEWORK

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

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

Behaving with Integrity

3.2. The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to local people. The Constitution is published on the Council's website and is reviewed annually.

3.3. Included in the Constitution are the responsibilities for decision-making, terms of reference for Committees, and a Protocol for Member/ Officer Relations. The Council's Constitution includes a Scheme of Delegation to Officers, which details several areas delegated to officers for the purposes of decision-making, without requiring a decision to be made by the Council, a committee or sub-committee.

3.4. The standards of ethical behaviour expected from members and staff are defined in Codes of Conduct for both Officers and Members. All Councillors must register and declare certain pecuniary interests, such as employment, land holdings, and contracts with the Council on an annual basis, and these are published on the Council's website. Councillors must also declare any relevant such interests at meetings which they attend, this is recorded in minutes and published on the Council's website. Officers must declare their interests in accordance with the Code of Conduct for Officers, and the Council's policy for employees registering their personal / business interests. There are procedures laid down for staff and councillors relating to the receipt of gifts and hospitality, and the recording of such, although the procedures for staff require an update in line with past external audit recommendations.

3.5. The procedures for the public to follow to register a complaint regarding the deliverance of the Council's services or a breach of the Member's Code of Conduct is detailed on the Council's website. The Council is currently awaiting the Government's formal response to its consultation on 'strengthening the standards framework for local authorities.' This consultation addresses potential revisions to the Code of Conduct and governance arrangements. Any subsequent amendments will be implemented following the receipt of further guidance.

3.6. The Council is committed to the highest possible standards of openness, integrity and accountability. In line with this commitment, a Whistleblowing Policy has been adopted to encourage employees and others with serious concerns to come forward in confidence. The Head of Legal and Democratic Services in their capacity, as Monitoring Officer, has overall responsibility for the maintenance and operation of this policy. They maintain a record of concerns raised and the outcomes, and report, as necessary, to the Council's Accounts and Audit Committee, being the committee charged with oversight of the governance arrangements at the Council.

3.7. The Council's Counter Fraud, Bribery and Corruption Policy Statement & Strategy and Anti-Money Laundering Policy are key components of the Council's corporate governance arrangements. The policies are reviewed on an annual basis and is applicable to all members, employees, suppliers, and contractors of the Council. The policies reinforce the Council's zero-tolerance approach to unethical behaviour. At the heart of these policies is the requirement for all relevant parties to act with integrity.

3.8. Several policies were reviewed and updated throughout 2024/25. Many policy documents, although still applicable, require formal review and ratification, with annual reviews being seen as best practice. As is the case with all policies, it is recognised that the decisions of Committees have primacy over any policy.

Demonstrating Strong Commitment to Ethical Values

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

3.10.   The Localism Act 2011 requires Councils to produce a Code of Conduct. The Council has adopted the Councillor Code of Conduct based on the LGA requirements relating to the seven core principles of public life set out in law: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Code sets out the standards of conduct expected of Ribble Valley Councillors, including why and how to register and declare financial and other interests, including gifts and hospitality.

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

Respecting the Rule of Law

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

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

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

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

3.14.   Section 151 of the Local Government Act 1972 requires local authorities make arrangements for the proper administration of their financial affairs and appoint a s151 Officer. The Director of Resources and Deputy Chief Executive is the Council's appointed s151 Officer. Senior Management changes resulted in the Director of Resources and Deputy Chief Executive undertaking the extra duties of Chief Executive 2½ days per week, alongside their existing role, throughout 2024/25.

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

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

Principle B - Ensuring openness and comprehensive stakeholder engagement

Openness

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

decisions, which allows for further scrutiny. All decisions of the Council are made in accordance with principles laid down in the Constitution.

3.18.   Committee meetings are held in person. In light of the government's consultation on remote meetings and proxy voting, officers invited input from Policy and Finance Committee Members to help inform the Council's response.

3.19.   The Council utilises its website to promote an open culture by providing access to meeting agendas, reports, and minutes. All reports follow a format that is consistent across all committees, and where a decision is needed, members are provided with the necessary information. To enhance the current reporting style and standardise reporting practices, it is planned to hold report writing training for officers in 2025/26.

3.20.   The Council is committed to publishing information freely and to develop further its culture of openness and transparency. Information is published in accordance with the Local Government Transparency Code. The 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 the website or upon request. At the time of writing, data is being updated to ensure full compliance with the Code.

Engaging Comprehensively with Institutional Stakeholders

3.21.   Partnership working is important, and the Council has in place a wide range of arrangements with local groups and works closely with other local authorities across Lancashire. The Council does not have any formal partnerships in place such as Public Finance Initiatives, Public/Private Partnerships or Joint Ventures.

3.22.   A Communication Strategy is available that outlines how the Council will manage communications, and keep its stakeholders informed about the authority's policies, activities, and events. The strategy is expected to be reviewed in 2025/26.

3.23.   In November 2023, the Lancashire Combined County Authority (CCA) was established following the approval of the Devolution Deal. The agreement aims to provide overall vision and leadership, seek value for taxpayers' money and uphold accountability to Lancashire residents. Although the CCA comprises predominantly of Lancashire County Council and the two Unitary Councils, two district authorities serve as non-constituent members: representing the interests of the twelve district authorities.

3.24.   Following the issue of the English Devolution White Paper last year, the Government invited the Leaders of all two-tier and unitary councils in Lancashire to jointly submit proposals for local government reorganisation, with full proposals due for November 2025. The Council is committed to collaborating with other local authorities in the region to develop a robust and sustainable local government structure which delivers optimal outcomes for the borough, and operates for the continuing benefit of its residents, communities and stakeholders.

Engaging Stakeholders Effectively, Including Individual Citizens and Service Users

3.25.   Consultations are arranged on an ad-hoc basis as and when required and, if necessary, expertise will be procured from external providers.

3.26.   Digital communication remains a key communication method, and the Council makes good use of its website and social media platforms (Facebook, Twitter, and Instagram) to communicate and engage with residents.

3.27.   The Council continues to develop its online 'People's Panel' that is representative of the population of the borough. The panel enables residents and relevant stakeholders to contribute to shaping local services. Resident feedback helps inform decision-making, develop Council policies and strategies, and identify areas requiring improvements. Two community service surveys conducted in 2024/25,

invited residents to have their say in the delivery of two play area improvement schemes, included in the Capital Programme. Additionally, residents were invited to complete a Food Waste survey to enable the Council to establish the likely take-up of the service when household food waste collections commence in April 2026, in compliance with new legislation.

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

Defining Outcomes

3.28. The Corporate Plan sets out the strategic direction of the Council, providing a focus to ensure that the services delivered meets the needs of the communities. The Council's vision, mission and core values are clearly set out in the Corporate Plan. The 2023-2027 Plan has a four-year scope. Four corporate goals have been identified in the Plan, to address the issues that matter most to the borough. They include:

1. Residents, their health and wellbeing – Creating flourishing, healthy, and happy communities.
2. Valuing our Place and our Environment – Making the Ribble Valley a place we want to be by creating a safer, stronger, greener, and cleaner Borough.
3. Building a Strong Economy – Sustaining a strong and prosperous Ribble Valley.
4. Continue to be a well-managed Council – Providing efficient services based on identified customer needs.

3.29. Each goal in the Corporate Plan is supported by several objectives, action plans and key measures of success.

3.30. The Local Plan provides the overall strategic framework for guiding all development activities within the borough. The Core Strategy 2008-28 sets out the long-term vision for the borough and the strategic policies that will deliver that vision. Ongoing recruitment difficulties in the Planning Policy team continued to impact the delivery of the new Local Plan (for the period 2028-2038), however the Council actively addressed recruitment needs throughout the year.

3.31. The Council's Medium-Term Financial Strategy and Plan 2024/25–2028/29 (since reviewed and updated for 2025/26 to 2029/30) is the Council's key financial planning document. It outlines all known factors affecting the financial position and financial sustainability of the council over the medium term. The Plan is reviewed annually and considers the financial climate at both the local and national level together with available resources and budgetary pressures.

3.32. The Council is committed to ensuring equal opportunities for all, fair access to services and ensuring that those with disabilities are not at a disadvantage when accessing Council services. A Reasonable Adjustments policy is in place, supported by Equality and Diversity corporate training. Procedures relating to Equality and Diversity continue to be developed in line with the LGA framework.

Sustainable Economic, Social and Environmental Benefits

3.33. The Procurement Strategy for 2022/23 to 2024/25 outlines the Council's commitment to achieving social value and ensuring value for money through its procurement decisions. It details how the Council expects to demonstrate leadership, behave commercially, and achieve community benefits through its procurement activities.

3.34. When buying goods and services, staff must comply with the Contract Procedure Rules and Financial Regulations. Due consideration should be given to achieving value for money through awarding contracts to suppliers and contractors that meet the most economically advantageous tender (MEAT) criteria, with decisions made following careful consideration of price or cost plus other 'quality' criteria.

3.35. In looking solely at its own operations, the Council aspires to achieve carbon neutrality by 2030. To support this target, an Action Plan, supplementary to the Climate Change Strategy, was formally adopted in 2024/25. Carbon Literacy training was delivered to all members, and training on Environmental Awareness was made available all staff in-year. Actions undertaken to date, to support the reduction of carbon emissions have included, the installation of electric vehicle (EV) charging points at several Council-owned car parks, the planting of redwood trees across the borough, and the distribution of grants to support energy-efficient initiatives. Capital works to install solar panels at the Council Offices are scheduled to commence in June 2025.

3.36. A large proportion of the 2024/25 capital programme was committed to the ongoing replacement of items such as vehicles and plant. Consideration is given to economic, social and environmental benefits in the assessing of bids for the Council's capital programme. Equality and diversity issues are also considered as part of the capital bids appraisal process.

3.37. Consideration of risks is an integral part of the Council's decision-making processes. Risk assessments are undertaken and considered for all reports presented before Service Committees, across the following themes:
- Resources
- Technical, Environmental and Legal
- Political
- Reputation
- Equality and Diversity

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

Determining Interventions

3.38. The Council demonstrates sound financial management through regular and timely reporting to Budget Holders, Corporate Management Team, Members and the Council as a whole. Budgetary control and reporting requirements are set out in the Council's Financial Regulations. Financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (2016).

3.39. Capital bids are evaluated considering project viability and associated risks. Other options evaluated but dismissed are considered as part of the appraisal process. Capital monitoring reports provide both financial and non-financial information relating to the delivery of each capital scheme. In addition to the reporting of actual and budgeted spend, non-financial data is reported providing an overview on the status of each scheme. Key milestones, progress on achieving each milestone, related risks and the actions required to address ongoing issues or risks to completion is additionally reported.

Planning Interventions

3.40. To ensure the Council sets a robust budget, the Council follows the processes below:
- Accountancy staff carry out regular budget monitoring in conjunction with budget holders and report the outcomes to Corporate Management Team.
- Service Committees receive regular budget monitoring reports.
- Heads of Service are given responsibility for managing their budgets.
- Financial plans are prepared using a base budget concept whereby any increases/reductions in the level of services are considered over and above the base budget and approval must be sought/virements requested.
- The Budget Working Group and the Council's Corporate Management Team meet on a regular basis to make recommendations to officers and service committees through the Policy and Finance Committee to maintain a high level of control over the Council's financial position and ensure finances are managed strategically and effectively.

- Preparation of a minimum three-year budget forecast and a Medium-Term Financial Strategy which considers budget pressures in the medium to longer term.

3.41. Capital and Revenue budgets are closely monitored with reports on budget allocations and actual performance provided to the relevant service committees.

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

Optimising Achievement of Intended Outcomes

3.43. The Council produced a Productivity Plan, structured across four key themes, in response to the Department for Levelling up, Housing and Communities' (DLUHC) review on local government productivity. The Plan addressed how the Council will reduce waste and transform service delivery, whilst ensuring the delivery of 'value for money' services, and whilst maintaining one of the lowest council tax rates in the country.

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

Developing the Entity's Capacity

3.44. One of the Council's key strategic objectives is to continue to be a "well-managed Council - providing efficient services based on identified customer needs." To ensure that the Council is suitably placed to deliver priorities for the Ribble Valley and its residents, the Council employs the right people, with the right skills in the right job. Robust financial processes, standards, and systems are maintained whilst optimising technology, making the Council more efficient in its service delivery.

3.45. Recruitment and retention issues continue to impact local government as a whole. The Council strives to make the organisation a desirable place to work. In 2024, all staff were invited to participate in a survey to establish an overall picture of how staff feel about working for the Council. The survey attracted a response rate of 40% (117 responses) and responses were largely positive, with 82% of staff either strongly agreeing or agreeing that they enjoy their job at the Council. Survey findings were reported to the Corporate Management Team, and a plan to address the areas for action has since been agreed.

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

3.46. A protocol governing member and officer relations is included in the Council's Constitution which outlines the roles of Members and Officers of the Council. Areas delegated to officers for the purposes of decision-making are laid down in an approved Scheme of Delegation to Officers within the Constitution. The Corporate Management Team (CMT) meet on a weekly basis to discuss matters of strategic and operational importance to the Council. Regular meetings take place between the Chief Executive (Head of Paid Service) and the Leader of the Council.

3.47. Training programmes are encouraged to enhance organisational development, develop leadership skills, and promote a culture with staff at all levels encouraged to be innovative and challenge the normal way of doing things. The Council has a performance appraisal process in place for all staff which considers individual training and development needs. Staff appraisals recommenced in 2023/24 (following Covid-19); however, the impetus in this area fell during 2024/25.

3.48. Requests for training by members and officers will always be considered. All newly elected members and staff receive corporate induction training. The local elections in May 2023 resulted in the Council having no overall controlling party. An induction day was arranged for all new members and Code of Conduct training sessions were delivered to Members in 2023/24. The HR team does not tailor

corporate staff inductions to an employee's role; however further service level induction or training is also provided by the relevant section.

3.49. The Council has invested in a digital Learning Management System (LMS) to deliver consistent training to all employees on a range of essential corporate topics, such as equality & diversity, workplace wellbeing and safeguarding. Mandatory training on the corporate topics was rolled out to all staff in March 2024, with additional courses being made available throughout the year. Data collected following course completions indicated a high percentage of staff strongly agreed or agreed that their knowledge of the subject areas covered has improved.

3.50. In line with the Worker Protection Act 2023, the Council is required to take reasonable steps to enhance workplace protections, particularly against sexual harassment. To support this commitment, staff were asked to complete online training on 'preventing sexual harassment' in the workplace.'

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

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

Managing Risk

3.52. All officers and members have an individual responsibility for the management of risk. The terms of reference for the Accounts and Audit Committee states the responsibility of members is to '*oversee and then monitor the development and implementation of a comprehensive approach to Risk Management.*' The Council's Risk Management policy outlines the process of identifying risks, evaluating their likelihood and potential impact, and determining the most effective methods of controlling them or responding to them. The Policy Statement sets out the Council's approach for the systematic management of risk, along with the roles and responsibilities of all managers and decision makers to achieve this. All decisions made on behalf of the organisation are taken with consideration to the effective management of risk.

3.53. As of March 2025, the Council's Strategic Risk Register contained 16 risks, each assigned to designated officers and service committees. Heads of Service and the Corporate Management Team previously agreed the risks for inclusion in the Council's strategic risk register. The Corporate Management Team and the Accounts & Audit Committee receive bi-annual reports outlining the latest position for each open risk and related actions, with corresponding reports provided to the relevant service committees.

3.54. The Council has a Health and Safety policy and Statement of intent, supported by internal procedures. Regular meetings are convened with the appropriate officers to address health, safety and welfare matters pertinent to the Council. An internal audit review undertaken in 2023 resulted in recommendations relating to the identification, completion and review of risk assessments. Senior Management continue to ensure actions are implemented to address the issues raised.

Managing Performance

3.55 Key performance indicators (KPIs) are an important driver for improvement and allows the Council to determine how well services are performing. Monitoring Council performance is essential in ensuring excellent service delivery and ensuring the Council continues to meet its corporate priorities. A key recommendation from the Auditor's Report 2023/24 was for the Council to ensure it had the capacity to significantly improve its performance management arrangements, suggesting a number of specific measures in order to achieve this. Although preparation for LGR has constrained

capacity somewhat, many of these measures are now in place with work progressing on those items not yet completed.

3.55. The Council re-instated performance reporting in 2024 with all committees receiving service performance data covering the three consecutive years up to 2022/23. Service committees received 2023/24 year-end data in the October/November 2024 committee cycle. At the time of writing, all relevant service committees have received performance data for the period April to December 2024, with year-end outturn data expected to be reported in the new financial year.

3.56. Members previously agreed the formal adoption of the new Corporate Plan, and the associated suite of the draft KPIs which will be used to monitor and analyse performance against targets. It was acknowledged that the agreed list of KPIs will continue to evolve over the life of the Plan to align with national / local priorities, in addition to service needs. Work is in progress to ensure the KPIs identified for monitoring provide a focussed measure of success against the corporate priorities and goals identified in the Corporate Plan. Any additional KPIs identified for monitoring will be established in consultation with the Corporate Management Team, Heads of Service / Lead Officers.

3.57. Reports are sufficiently detailed to provide readers with the information they need to effectively scrutinise performance. Data is reported in a table format, and includes both outturn and target figures, with corresponding statistics provided where data is available. Annual performance is reported using a 'traffic light' system to visually depict on-track performance, and to highlight areas requiring further attention. Any explanation for variances is reported as necessary.

Robust Internal Control

3.58. Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. The Council complies with Regulation 5 of the Accounts and Audit Regulations 2015 that specifically requires a local authority to undertake an adequate and effective system of internal audit.

3.59. The Internal Audit Plan is produced on a risk-based approach, incorporating core system and mandated requirements as stated in the Public Sector Internal Audit Standards (PSIAS). Global Internal Audit Standards (GIAS) will apply from 2025/26. The annual plan is agreed by the Accounts and Audit Committee. Progress against the plan is presented to Committee, outlining assurances provided on the control environment, agreed recommendations, and areas for improvement.

3.60. The Accounts and Audit Committee met four times in 2024/25. There was one fraud referral in year, the investigation for which is in progress. The Internal Audit Service continue to work with management to address any weaknesses identified as part of all reports. The Draft Head of Internal Audit Opinion presented for 2024/25 provided for Substantial Assurance - *'There is a good system of internal control which has been designed to meet the system objectives, and controls are generally operating effectively.'*

3.61. Although not a legislative requirement, CIPFA recommends as best practice that the Accounts & Audit Committee include at least two co-opted independent members to provide appropriate technical expertise. In February 2025, the Committee was asked to consider the appointment of such members. The resolution of committee was that the expertise provided by the external auditors and senior officers – namely, the Head of Paid Service, s151 Officer, Head of Financial Services, the Internal Audit Manager – who attend all committee meetings is sufficient and that additional input was unlikely to bring added value.

3.62. Each member of Corporate Management Team, Heads of Service and statutory officers are required to complete an Assurance Statement in relation to a range of key controls operating in their area of work. This specifically seeks assurance that, other than those identified during their normal work or by Internal Audit, they are not aware of any weaknesses in the Council's systems of internal control. No significant areas of concern have been raised, other than those raised in Section 7.

Managing Data

3.63. The following arrangements are in place, to support the Council's handling and processing of data:

- Policies and procedures on the Council's Information Security, available on the Intranet for staff to review
- A HR data retention policy
- A Data Protection Policy
- Provision of Open Data on the Council website
- A system for dealing with requests for information submitted to the Council under the Freedom of Information Act 2000.
- Regular reviews of the Council's information governance and security arrangements
- Online information security training delivered through HutSix.
- The ICT Manager as the designated Data Protection Officer.

Strong Public Financial Management

3.64. An established financial management framework is in place comprising of the following:
- Financial Regulations and Contract Procedure Rules as key components of the Council's Constitution
- A range of internal policies; *Counter Fraud, Bribery and Corruption Policy Statement & Strategy, Anti-Money Laundering Policy, Corporate Debt Write-off Policy, and Whistleblowing policy*
- Medium Term Financial Strategy and Plan
- Annual budget book (published on the Council's website) comprising the original and revised estimates, key budget risks, and the forecast balance of earmarked reserves.
- Annual review by the s151 Officer of the adequacy of the level of financial reserves.
- Regular monitoring of revenue and capital budgets with reports to Corporate Management Team and relevant Committees involving effective scrutiny and challenge
- Annual revenue and capital out-turn committee reports
- An annual Statement of Accounts produced, published, audited and approved in a timely manner, in compliance with local authority accounting practices.
- Compliance with requirements established by CIPFA.

3.65. The Budget Working Group allows for more focussed work to be undertaken and provides specific guidance to service committees through the Policy and Finance Committee. The group play a pivotal role in reviewing and monitoring the Council's finances, scrutinising the Council's budgets and making recommendations to the Policy and Finance Committee.

3.66. The Chief Financial Officer (Director of Resources and Deputy Chief Executive) ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept and oversees an effective system of internal financial control.

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

Implementing Good Practice in Transparency

3.67. All reports presented to meetings of the Council and its committees are publicly available on the website, with the minutes also published showing the decisions taken. Other forms of public accountability reporting include the annual Statement of Accounts, the Council's Annual Report, and in-year reports from the external auditors. The Auditors Annual Report sets out their findings resulting from their audit of the accounts and assessment of the Council's arrangements for securing value for money.

Implementing Good Practices in Reporting

3.68.   The Council's Statement of Accounts is published in a timely manner on the website. The Statement of Accounts includes a narrative statement, which allows for a more understandable format of the Council's outturn position, distinct from the statutory presentation requirements seen in the key financial statements. Financial performance is reported throughout the year to all service committees with the Overall Outturn Reports being presented to the Policy and Finance Committee. All reports are available on the Council's website.

Assurance and Effective Accountability

3.69.   The Council's external auditors, Grant Thornton, attend meetings of the Accounts and Audit Committee and provide regular reports, and briefings to Members. Any actions arising from these reports are monitored by the Committee to ensure compliance, and to facilitate positive improvements where necessary. The External Auditors issued an unqualified opinion of the Council's accounts for 2023/24. In the External Auditors' Annual Findings report, the quality of the draft accounts was reported of a 'reasonable standard' and 'supported by detailed working papers.' Although weaknesses in the Council's performance management arrangements were reported in the Auditors' Annual Report, significant work has been undertaken, and work is ongoing to improve the performance monitoring and reporting arrangements at the Council.

3.70.   The Internal Audit Service provide assurance over governance arrangements through regular reporting to the Accounts and Audit Committee. Agreed recommendations are followed up, and the implementation status is reported. Arrangements in 2024/25 conformed with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

3.71.   In line with CIPFA requirements, the Internal Audit Manager conducted a self-assessment against the Public Sector Internal Audit Standards (PSIAS). Following the 5-year external assessment in 2022, the service implemented the relevant actions to ensure compliance with the Standards. No areas of non-conformance were highlighted, and the outcomes were reported to the Accounts & Audit Committee.

3.72.   Correspondence received from the Local Government and Social Care Ombudsman last year shows no complaints were upheld and no investigations were undertaken in 2023/24. The Council also reviewed its Complaints Policy, reflecting its commitment to continuous improvement and public accountability.

3.73.   The Council welcomes peer challenge reviews and inspections from regulatory bodies and act on any recommendations arising as necessary. Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management.

4.   REVIEW OF EFFECTIVENESS

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

Corporate Management Team

4.2.   The Corporate Management Team meets on a weekly basis to discuss key policy matters and to consider internal control issues, including risk management, performance management, compliance, efficiency, value for money, and financial management.

Directorate Level Review

4.3.   The Directorate Assurance Statements require Directors review the operation of a range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues. These were analysed to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues, and as such need to be included in the Annual Governance Statement.

Monitoring Officer

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

Accounts and Audit Committee

4.5.   The Council has appointed an Accounts and Audit Committee, entrusted with the responsibility of monitoring the Council's governance and risk management framework, including the review of the adequacy and effectiveness of the governance arrangements in place.

Internal Audit

4.6.   Internal Audit is responsible for monitoring the quality and effectiveness of the system of governance and internal control. A risk-based Internal Audit Plan is produced each financial year. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Directorate. The report includes recommendations for improvements that are included within an Action Plan and require agreement or rejection by Heads of Service. The process includes follow-up reviews of agreed recommendations to ensure that they are acted upon.

4.7.   The annual Head of Internal Audit report contains an opinion on the overall levels of internal control (a view based on the relative significance of the systems reviewed during the year, in the context of the totality of the control environment).

External Audit

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

CIPFA's Financial Management Code (2019)

4.9.   CIPFA's Financial Management Code sets out the standards of financial management for the Council. It provides guidance for good and sustainable financial management, offering assurance that authorities are managing resources effectively, regardless of their current level of financial risk. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Council is currently undertaking a review of its financial management arrangements in line with the CIPFA Financial Management Code.

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

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

CIPFA 'The Role of the Head of Internal Audit'

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

5.   SIGNIFICANT GOVERNANCE ISSUES

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

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

- It has significantly prejudiced or prevented achievement of a principal objective.

- It has resulted in the need to seek additional funding to allow it to be resolved or has required a significant diversion of resources from another service area.

- It has had a material impact on the accounts.

- It has been identified by the Accounts and Audit Committee as significant.

- It has resulted in significant public interest or has seriously damaged reputation.

- The governance issue may or has been publicly reported by a third party as a significant governance issue.

- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer.

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

6.   REVIEW OF SIGNIFICANT GOVERNANCE ISSUES RAISED IN THE ANNUAL GOVERNANCE STATEMENT 2023/24

6.1   The status of the issue/s raised as part of the Annual Governance Review 2023/24 is provided in the table below:

Subject Area	Details	Action Taken	Action
Policy Review (c'fwd)	Although several policies were reviewed and updated, many policy documents still required formal review and ratification.	Several Council policies were reviewed and ratified throughout 2022 – 2025, however other reviews are still in progress.	Partially implemented
Embedding policies and procedures to sustain existing organisational culture		Throughout 2024/25, all officers, including newly appointed staff, were enrolled on a suite of mandatory training courses covering 17 corporate topics, delivered via the digital LMS platform. A high proportion of staff who completed all the courses agree that they now have improved knowledge of the topics covered.	Implemented
Risk Assessments (Health & Safety)	Heads of Service required to identify, complete and review their Health and Safety Risk Assessments to ensure they reflect up to date principles.	Some Service Leads have reviewed and documented their Health and Safety Risk Assessments whilst other reviews are still in progress.	Partially implemented
Operational Risks	Heads of Service to identify and monitor operational risks for their service area. All identified risks were to be formally documented (and escalated as appropriate, in line with the Council's Risk Management Policy).	Although some service-level operational risks have been uploaded on to the risk management system, other services are yet to formally document their operational risks.	Partially implemented

7.   REVIEW OF SIGNIFICANT GOVERNANCE ISSUES 2024/25

7.1   In considering the criteria for significant governance issues as listed at section 5 the following areas
        have been raised as part of this Annual Governance Statement for 2024/25.

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

Action Plan

Subject Area	Details	Action
Policy Review (c'fwd)	Although several policies have been reviewed and updated, many policy documents still require formal review and ratification. This is also in the context that the council's best practice viewpoint is that policies should be reviewed on an annual basis.	Heads of Service will continue to ensure that policies requiring formal review are undertaken and ratified appropriately through the relevant governance arrangements; and training provided to new and existing staff where necessary.
Risk Assessments -Health & Safety (c'fwd)	Health and Safety Risk assessments to be identified, completed and reviewed to ensure they reflect up to date principles.	Through consultation and support from the Health & Safety Advisor, all Heads of Service will review and complete all risk assessments relevant to their service delivery. Progress has been made in this area, but further work is needed.
Operational Risks (c'fwd)	Heads of Service to formally document and upload their service-level risks to the risk management system.	Service Leads will monitor and review their operational risks, reporting any high-level risks identified to CMT. Again, progress has been made in this area, but further work is needed.

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

Signed:

Cllr S Hore

Leader of the Council
On behalf of Ribble Valley Borough Council

MH Scott

Chief Executive