



Annual Governance Statement 2024-25

Guildford Borough Council

Governance:

Audit and Risk Committee, 11 June 2025

Foreword

We want to make our borough a greener, fairer and thriving place to live, work and do business.

Our key priorities are

- **a more sustainable borough** - we're committed to becoming a more socially and environmentally responsible borough
- **a more prosperous borough** - building on Guildford borough's strong local economy to attract inward investment
- **a more inclusive borough** - a welcoming borough where people of diverse identities feel valued, respected, included, supported, and represented
- **decent and affordable homes** - we will use the powers and means available to us to ensure that local people have access to decent homes that they can afford
- **a resilient and well-managed council** - we're committed to public service, we exist to serve our residents, businesses, and visitors

Delivering these requires good governance - for our residents, employees, businesses, service users and councillors.

We are proud of our progress in improving governance at Guildford Borough Council, and the Annual Governance Statement records this progress in all aspects of governance and strengthens the foundations for further improvement. It is an honest and transparent appraisal of where we currently stand, and what more we still need to do.

We take full responsibility for our own improvement and have established an Independent Assurance Panel to oversee our progress on Guildford's Improvement Plan which is a council-wide commitment to improving our governance, culture and operations.

We are committed to becoming the well-managed and resilient council that the people of Guildford rightly expect. We also recognise we still have a long way to go on this journey and welcome challenge and scrutiny to help us to accelerate that improvement.

Reviewing our governance will also help us as we prepare for local government reorganisation and further collaboration with Waverley Borough Council.

Council Leader signature



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Introduction

This Annual Governance Statement is a public facing assessment of the effectiveness of the Council's governance framework during 2024-25.

The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Amendment) Regulations 2021, require the council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review, with the Statement of Accounts.

The Statement contains three main elements:

- An explanation of the Council's governance framework and the context of this framework
- The Council's review of the effectiveness of the governance framework in the reporting period
- A review of the Council's action plan 2023-24 and the action plan 2024-25 to manage and mitigate remaining governance issues.

Delivering good governance is a process of continuous review and improvement. There is no set definition but good governance comprises the systems, processes, culture, and values by which the Council is directed and controlled and the activities through which it accounts to, engages with, and leads the community. Weak or poor governance is likely to have a detrimental impact on the Council's ability to deliver best value.

It enables the Council to monitor the achievement of its strategic priorities and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. It is vital in contributing to effective:

- leadership and management
- performance and risk management
- stewardship of public money
- public engagement and outcomes for our residents and service users.

In preparing this Statement, the Council has reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government Framework - 2016 Edition' good practice guidance.

This Statement will be approved by the Council's Audit & Risk Committee under its delegated powers.

Part 1: Governance at Guildford Borough Council

The Council has a responsibility to ensure we have a sound system of governance.

Guildford Borough Council has 48 elected Councillors, covering 21 wards. All councillors agree to follow the member code of conduct and the rules for making decisions set out in our Constitution. All Councillors meet as the Full Council around ten times a year.

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.

Throughout this document, we have explained how Council puts the principles of good governance, set out in the CIPFA/SOLACE framework, into practice.

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Council has important strands of governance which, together, aim to ensure that decisions are taken in a resourced and soundly managed environment, with strong internal and external controls. These are set out below.

Decision-making

Full Council is responsible for approving the budget and Constitution that sets out its rules for decision making and the checks and balances in place to ensure decision making is lawful, subject to scrutiny and is open and transparent.

The Constitution includes

- An ethical framework with Code of Conduct for councillors and obligations to register and declare private interests, gifts and hospitality. Guildford has adopted the LGA Model Code of Conduct.
- Clear delineation of the separation of powers between those exercised by the Leader and Executive and by Full Council and the powers delegated to committees by Full Council as set out in their terms of reference
- Access to Information rules requiring decision making and other formal councillor meetings are held with advance public notice and provide public access to all relevant documentation and meetings, unless the Council can demonstrate exempt information would be disclosed and it is in the public interest to withhold that information
- Financial Procedure Rules to govern how public money delivers best value. Our Financial Procedure Rules have been updated this year.

- Contract Procedure Rules to govern how the Council procures goods, services and works from external contractors. Our Contract Procedure Rules have been updated in this year.
- A protocol on how councillors and officers should work together
- a Scheme of Delegation of executive and non-executive powers to Officers. Strategic Directors and Assistant Directors are required to agree a scheme of authorisation for the exercise of their powers by nominated officers within their directorates. Our Scheme of Delegation has been updated in this year.

As part of Guildford's Improvement Plan, the Constitution continues to be reviewed on a regular basis and changes have been made during 2024/25, approved through input from the Joint Constitution Review Group and Corporate Governance & Standards Committee.

The Council welcomes views from the public and community as part of the constitutional process. These views are considered through formal and informal consultation processes, attendance at local meetings or contact with a local ward councillor. Trades unions are consulted on issues that affect council staff.

For committee meetings, all meetings are held in public, unless exempt material is under consideration and the public interest test is not satisfied. Decisions are recorded on the Council website and all Member-level decisions are supported by detailed officer reports including various options but making clear, evidence based recommendations.

Holding decision-makers to account through scrutiny

Scrutiny provides the legal power for councillors to investigate issues of concern for residents, holding decision-makers to account for the decisions they are making. Scrutiny is not decision-making but acts as a check and balance for Executive decisions. Scrutiny at Guildford Borough Council is carried out by two Overview and Scrutiny Committees: Services & Resources

Financial Management

Guildford Borough Council maintains strong financial management to ensure effective governance and responsible use of public funds.

A robust annual budget process is aligned with the Medium-Term Financial Strategy (MTFS), ensuring financial sustainability and alignment with corporate priorities. Budgets are monitored monthly with the Corporate Leadership Board, with monthly updates to Executive and Scrutiny Committees to manage variances early.

The Council applies clear financial regulations and internal controls to safeguard resources. Internal Audit regularly reviews these controls, and financial risks are tracked through a corporate risk register and scenario planning.

Financial reporting complies with national standards, with the annual Statement of Accounts subject to external audit. Budget holders are accountable for their areas, supported by regular reporting and training to ensure informed financial decisions.

We also publish our [financial and budget information](#) to residents.

Guildford's Improvement Plan

On 23 July 2024, Council endorsed the report on the SOLACE governance reviews and the Improvement Plan. The Improvement Plan aims to address the recommendations from the reviews and achieve our outcome of meeting our Best Value duty and becoming a well-managed and resilient

council. Recommendations of the SOLACE report, agreed by Council as part of the Improvement Plan, included that the Council should appoint an Independent Assurance Panel to monitor our progress and Full Council should receive an update every six months.

By delivering our Improvement Plan, the Council is developing an improved governance framework, culture and operations. Whilst significant progress has been made, the Council's aim of delivering the Improvement Plan and continuing to meet our statutory duty to deliver Best Value requires continued effort, dedication and collaboration from both Members and Officers.

The Council recognises there is more to do to improve our operations, governance and culture, and deliver the high-quality services that our communities, tenants and businesses deserve.

The Improvement Plan takes a risk-based approach, recognising we cannot deliver all the actions at once. The actions and timescales within the Improvement Plan are reviewed regularly to ensure it reflects the Council's priorities and the Council has sought the support from the Independent Assurance Panel on this prioritisation.

The Improvement Plan is a live programme of work and is expected to evolve to remain relevant and responsive to emerging priorities, changes in our internal and external environment and best practice. It is also expected to change and evolve with learnings from the Independent Assurance Panel, the Regulator of Social Housing, our Executive and Corporate Leadership Board, our staff, internal audit and the Overview and Scrutiny Committees.

The Annual Governance Statement is part of the [Improvement Plan](#).

Decision Making & Policy Framework

The Council has a strategic vision for the Borough which is set out in the [Corporate Strategy](#) which was approved in July 2024. The vision is presented along with a range of strategic outcomes aligned to five corporate priorities.

Each year we produce a Delivery Plan which is agreed by officers and the Executive setting out the priority actions for the year. This enables the Council to be open and transparent about what we will deliver each year, and ensures the Council can be held to account by residents and businesses. These priority actions within the Delivery Plan will be supported by a suite of performance indicators that are used to assess impact. The council uses key metrics and other functions within the Council such as quarterly performance and risk management, corporate programme management, and budget monitoring to report and monitor progress against deliverables and achieving our desired outcomes.

The Full Council, the Leader and Executive have also agreed a Scheme of Delegation of executive and non-executive powers to officers. Strategic Directors and Assistant Directors are required to agree a scheme of authorisation for the exercise of powers to officers within their directorates, and officer decisions are published on our website. Our new Scheme of Delegation provides that officers are not able to take key decisions unless specifically authorised by members.

Performance, Policies, Risk and Financial Arrangements

The performance management process helps to identify learning and development needs, which are translated into personal development plans for staff. Our annual appraisal process takes place between the June-July. We have updated our appraisal process this year to align better to our Corporate Strategy and Corporate Values. To help us become a well-managed and resilient Council and to support the collaboration between Guildford and Waverley Borough Councils, the Councils

have initiated a harmonisation project of our key HR policies, ensuring a consistent and fair approach within legislation and best practice. Accompanying the new policies are a set of consistent guidelines for managers and training is being rolled out.

Members are also offered development opportunities through the Member Development Programme. The council provides a variety of learning and development opportunities to officers and members. Senior officers are also expected to keep abreast of developments in their profession.

A quarterly corporate performance report tracks the performance of priority Council activities and services through a suite of agreed key performance indicators. The report also highlights remedial actions being taken where slippage or under-performance does occur. We also include key performance indicators that are not directly within the Council's control for information to give a fuller picture of the borough.

Internal monitoring on the delivery of our major programmes happens at a dedicated officer monthly Enterprise Portfolio Board which is made up of Corporate Leadership Board members.

The Council has a whistleblowing policy, which encourages staff and other concerned parties to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment.

The Council's Finance team works with Internal Audit to confirm and provide assurance that expected governance arrangements and controls have been in place throughout the year.

Risk Management

The Council has a new Risk Management Strategy in place, and corporate risk register identify our strategic and operational risks.

To mitigate the risk of fraud the council has in place fraud and governance policies to which staff should adhere. These include the Anti-fraud, Bribery and Corruption Policy, Whistleblowing Policy and Anti-Money Laundering Policy. These policies are reviewed, updated and agreed by Committee. Any issues raised relating to these policies are dealt with by the appropriate responsible Officers in accordance with the requirements of each policy. Where appropriate the policies are available on the Council's website and intranet.

Key risks are considered by our Corporate Leadership Board monthly and the Council monitors financial outcomes, governance of companies, charities and trusts and other key partnership arrangements.

Roles and Responsibilities

Our Corporate Leadership Board (CLB) is responsible for the overall management of the Council and is the Council's senior officer group. Led by the Chief Executive, CLB comprises Strategic Directors (and includes both the Monitoring Officer and the S151 Officer).

Our CLB has overall responsibility and accountability for the vision and culture of the organisation, the implementation and development of strategies and priorities as set out within the Corporate Strategy, and the organisation and management of staff.

Whilst CLB as a body has no formal delegated decision-making powers, its members agree to exercise their delegated powers in a consistent way across the Council and the rationale for doing so. They provide a leading role in setting the culture of the authority and modelling standards of behaviour

and performance, including ensuring it seeks and listens to feedback from staff and their representatives (trade unions).

Strategic Directors and Assistant Directors are accountable for the performance of services, compliance with council policies and practices, and systems of internal control within their directorate.

The Council has appointed officers to discharge powers that must be assigned to an individual officer, collectively known as statutory officers. There are three principal statutory officers for governance purposes

- i) Head of Paid Service is the Chief Executive, who is responsible for all council staff to deliver the Council's services and functions
- ii) Section 151 Officer is the Strategic Director of Finance & Resources, who is responsible for ensuring the proper administration of the Council's financial affairs and ensuring value for money; and
- iii) Monitoring Officer is the Strategic Director of Law, Governance and People, who is responsible for ensuring legality and promoting high standards of member conduct.

There are regular meetings throughout the year of our three Statutory Officers (the Chief Executive/ Head of Paid Service, Monitoring Officer, Chief Finance Officer) to review and monitor governance issues. These meetings have agreed terms of reference and actions are recorded and monitored and we are working to agree a protocol for our statutory officers.

Stakeholder engagement

It is recognised that people need information about what decisions are being taken locally, and how public money is being spent to hold the council to account for the services they provide. There are several ways people can get involved and connect with the council, many of which are listed on the council's website. Local people have the option to engage in a dialogue through social media sites, the petition scheme, neighbourhood forums, council meetings (open to the public), and their local Councillor(s).

This year, we undertook a resident survey for the Delivery Plan, a resident engagement survey on Local Government Reorganisation and the Council has strengthened its relationship with the [Tenant Engagement Group](#).

For staff, there is a weekly staff briefing hosted by the Chief Executive or Director. This has been introduced to encourage a more open, collaborative culture. We also have reinvigorated bi-weekly staff newsletter delivered by email, focusing on issues important to colleagues. Members also regularly receive an internal update delivered by email.

We have now committed to undertake an annual staff survey, with the first survey completed in November-December 2024, and this feedback has helped to make improvements as we focus on our priority of being a resilient and well-managed Council.

Employee networks have been created this year including the Guildford Improvement Champions Group which engages staff to be involved with Guildford's Improvement Plan. This staff group has suggested ideas of improvement for the organisation, provided feedback on organisational improvements and created a safe space for the staff to raise concerns.

Changes in Governance in 2024-2025

Governance Review and Improvement Plan

A Corporate Governance Review was commissioned in early 2024 and undertaken by SOLACE.

The report from the review was approved by Full Council in July 2024 and concluded that the Council was at serious risk of failing in its statutory duty to deliver best value and their recommendations were designed to assist the Council to avoid such a failure.

A comprehensive corporate improvement plan has been put in place to address the issues raised.

The key elements of the plan are:

- Establishing clear strategic direction and values for the Council, providing a basis for performance management and continuous improvement.
- Ensuring we provide the best value for money by embedding effective finance practices with sufficient capacity, and alignment between the organisation's priorities and its use of resources, including procurement and contract management.
- Embedding a public service culture, outward-facing, innovative, building partnerships, listening to and working with our communities and businesses to deliver effective services that are value for money.
- Implementing effective governance across the organisation, so decisions are made at the right level, with clear accountabilities and responsibilities.
- Decision-making will be open and transparent, supported by evidence, and a committee system that provides constructive challenge.
- Ensuring effective service delivery, focused on achieving the right outcomes for residents and businesses, and supported by an effective performance reporting, risk-management, monitoring and audit regime.
- To ensure that housing services are effective, value for money, and recognise the vital importance of providing a safe and secure home.

To improve our governance, the SOLACE report recommended:

- Review the way the Council and the Executive operates (including individual Members) to ensure its agendas, reports, minutes and decision making reflects its role appropriately
- Review the way the Overview and Scrutiny Committee operates and plans its work and ensure it provides more effective oversight and constructive challenge which contributes to the Council's priorities and the improvement agenda,
- Review the terms of reference and title of the Corporate Governance and Standards Committee to ensure that the audit function is not marginalised or seen to be so
- Consideration should be given to the formation of a separate Audit Committee.
- That the Council commissions and supports a development programme for Councillors, particularly for members in leading roles (Executive, Chairs and Vice Chairs of Committees and Group Leaders).
- That the corporate leadership arrangements are reviewed including the ways in which the Corporate Leadership Board works together and makes decisions, the range and roles of the various corporate management forums and the role of Strategic Directors,
- A performance management system is put in place across the authority for measuring the achievement of priorities, the delivery of services and management of budgets across the authority's services,
- The current HR policies and processes are reviewed and confirmed.

- That to enable decision-makers to be held to account effectively, the Council ensures that its schemes of delegation and decision-making protocols are reviewed regularly and that everyone concerned understands and follows them.

These were incorporated into our Improvement Plan and is monitored through this programme. Investment was required to improve governance across the Council and to strengthen both the finance, governance and legal functions as part of the Improvement Plan. These were built into our Medium-Term Financial Plan and we have increased our resource in these areas.

The Council's progress of the Improvement Plan is monitored through an Independent Assurance Panel. The Panel is appointed by Full Council and they evaluate our progress since the publication of the SOLACE Governance Review reports and subsequent implementation of the council's Improvement Plan. This is critical in our efforts to improve the governance of the Council as it offers an independent assessment and valuable recommendations. In the [Panel's first assessment](#) of the Council's progress in December 2024, the Panel concluded that the delivery of the governance actions represented good progress in putting many of the foundations of good governance in place. But significant challenges and risks remain. On the wider Improvement Plan programme, the Panel concluded that the Council's Corporate Improvement Plan is fit for purpose and that the Council has made a good start to the delivery of the Plans. Many steps are being taken to put in place robust structures, strategies and systems along with suitable management and staffing arrangements. These will enable the Council to plan and deliver improvement much more effectively and efficiently. This work is mitigating the risk that the Council could fail to meet its statutory duty to deliver Best Value.

Audit & Risk Committee

As a key action of the Improvement Plan, the Council considered the establishment of a dedicated Committee to be responsible for the statutory audit function of the Council, as well as risk management. This was approved, and the first committee meeting will be in June 2025. The Council now has two separate committees; [Audit & Risk](#), and [Standards](#), both with their own terms of reference. Both Committees also have independent members to support their work.

Whistleblowing

Whistleblowing is an important part of safeguarding the effective delivery of public services and ensuring value for money. The Council has a number of active ongoing whistleblowing investigations from this year and 2023-24, and these are presented in the annual whistleblowing report to Audit & Risk Committee.

It is important that councils create an open and supportive culture so that employees feel comfortable raising concerns surrounding misconduct and we actively encourage staff to come forward. This protects and enhances the freedom of employee expression but it also contributes to a healthy working culture and the efficient running of councils.

Our approach and response to whistleblowing is part of Guilford's Improvement Plan as we aim to embed a positive culture of sharing information, whilst respecting the duty of confidentiality. Officers have benefited from a clear Whistleblowing Policy, and a strengthened Governance resource this year to support this and this remains a priority for 2025-26. In particular, we have used Protect (formerly Public Concern at Work) to deliver independent whistleblowing training for all managers to ensure we can identify and correctly deal with whistleblowing.

Other Council events in 2024-2025

Corporate Strategy

In accordance with sector best practice as well as an action arising from the Council's Improvement Plan, the Council published a new [Corporate Strategy](#) in July 2024. The Corporate Strategy is a key policy document, central to the Council's strategic planning approach.

The Corporate Strategy sets out the medium and long-term priorities for the authority, informing the wider strategy and policy framework. The Strategy provides focus for service delivery and the allocation of the Council's resources through the annual service and financial planning process.

The Strategy has five core priorities which forms the overarching focus for the Council over the next ten years, which are:

- Priority 1: A more sustainable borough
- Priority 2: A more prosperous borough
- Priority 3: A more inclusive borough
- Priority 4: Decent and affordable homes
- Priority 5: A resilient and well-managed council

This Corporate Strategy will be supported by an annual delivery plan in 2025-2026, which sets out the action that will take place in the year ahead to deliver on our outcomes, as well as how success will be measured. The delivery plan will align with, and be informed by, the Council's annual service and financial planning process and the annual budget. It will also align with other key strategic documents, including the Medium Term Financial Plan and Capital Investment Strategy.

As part of our Corporate Strategy development, the Council also agreed a set of shared internal corporate values with Waverley Borough Council. These values are important for the organisation and employees because they set out what the Council stands for, how we should behave and how we intend to treat each other. Our aim is to work in collaboration with others - internally, with partner organisations and with our residents and businesses. We must always be professional, striving to provide the best possible advice for our councillors, and excellent services for our residents. We must spend public money wisely, and abide by the Nolan Principles of Public Life.

Collaboration with Waverley Borough Council

One of the recommendations of the SOLACE governance reviews agreed by the Council in July 2024, was that both Councils assessed the Collaboration programme between Guildford and Waverley Borough Council. This was added to the Improvement Plan and undertaken in late 2024 and presented to [Council in January 2025](#).

Local Partnerships, a consultancy partly owned by the Local Government Association (LGA) and HM Treasury (HMT), was commissioned to provide an independent assessment on the benefits of the collaboration to date, and also the nature and potential value of further collaborative opportunities between the two councils.

The analysis concluded that the collaboration has had a net benefit, and this benefit would grow moving forward, as benefits were ongoing, but costs were one-off. The councils' overall cost base was lower than it would have been without the collaboration, and there had been no evident

deterioration in performance. The introduction of a shared Chief Executive and Joint Leadership Team (JLT) had already generated savings of £603,000.

The report had also concluded that other collaborations elsewhere had achieved much bigger benefits, and there should be much more to be had from Guildford and Waverley working together and integrating more closely.

The report had provided a useful assessment of the collaboration so far, ensuring that the Council had visibility and assurance on the programme. It also provided the Council direction in the nature and potential size of further opportunity for cost saving and outcome improvement in service delivery.

The Councils both have a Joint Governance Committee and a Joint Senior Staff Committee, and we hold simultaneous meetings of the Standards Committees as required. The Councils are exploring further joint governance arrangements to strengthen the governance of the partnership.

Local Government Reorganisation

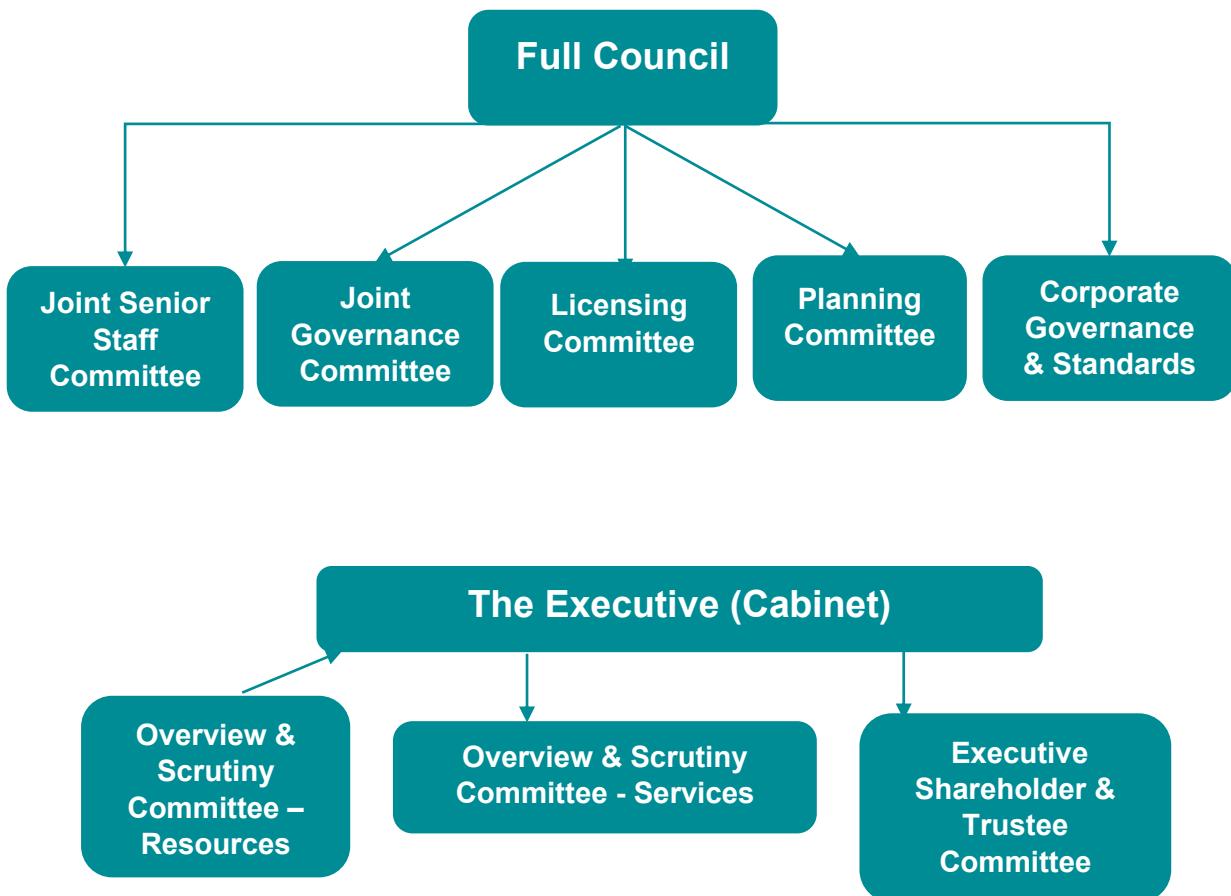
The government's English Devolution White Paper, published in December 2024, set out the possibility of local government reorganisation (LGR), proposing the replacement of the existing two-tier government structure with new unitary authorities. In the short term, this could create uncertainty for the council, potentially leading to the failure to deliver corporate objectives, increased recruitment and retention challenges, and a decline in staff morale.

The Council is

- Collaborating via the Surrey Leaders/Chief Executives groups to influence local government reorganisation and devolution proposals.
- Maintaining a positive relationship with MHCLG and lobby the Government as needed, while engaging with sectoral bodies like the Local Government Association and District Council's Network.
- Communicating with Members, partners, staff and residents regarding Devolution and LGR in an ongoing and timely manner.
- Prioritise day-to-day business, ensuring decisions are made transparently and in the best social, economic, and environmental interests of the borough and its residents.
- Part of an established programme delivery structure for the proposal submission.

The Council added this to the Corporate Risk Register and is actively monitoring this programme and the impact on our delivery. The Council awaits a decision from Central Government following the submission on May 9 2025.

2024-2025: Guildford Borough Council Committee Structures



- Licensing – considers issues relating to taxis, entertainment, alcohol, food premises and miscellaneous licensing functions.
- Planning – makes decisions on development control issues, including applications for planning permission.
- Corporate Governance & Standards – committee responsible for audit, risk and governance arrangements, ethical standards, and the Constitution.
- All non-Executive Committees – helps develop and review policy and holds the Executive to account publicly by calling-in and scrutinising decisions made by the Executive.
- Executive - appointed by the Leader, responsible for proposing new policy, putting the budget to the Council and implementing and delivering the agreed policy framework and budget. The Executive also has responsibility for executive functions and the council's shareholder functions.
- Council - 48 elected Councillors, covering 21 wards. Appoints the Overview & Scrutiny and other committees. Approves the policy framework and budget.

For 2025-2026, an Audit & Risk Committee and a Standards Committee has been established with independent members being appointed to the Committees, and the Corporate Governance and Standards Committee has been removed.

[Committee structure - Guildford Borough Council](#)

Part 2: Our review of Effectiveness of our Governance Framework

Taking into account the full range of external and internal views and evidence, the Council's self-assessment of the effectiveness of its governance is:

- Core member decision making processes are effective
- The direction of travel and pace of change in governance is improving, as recognised by the Independent Assurance Panel and the Council is proud of the progress made in 2024-2025.
- There are areas of performance and governance that still require improvement.
- Governance issues and risks remain, including the ongoing impact of legacy issues on governance and performance.

The Council uses several ways to review and assess the effectiveness of governance arrangements

Assurances from Internal and External Audit

Internal Audit

Public Sector Internal Audit Standards require the Chief Auditor to provide an assessment of the overall adequacy and effectiveness of the Council's control environment. This opinion is expressed using a scale ranging from Substantial to Reasonable, then Limited and finally No Assurance.

The annual report and opinion of the Chief Internal Auditor for 2024-25 was presented to the Corporate Leadership Board on Tuesday, 6th May 2025. It states that the Council's internal control environment and systems of internal control in the areas audited were to be classed as "**Reasonable Assurance**".

This opinion was influenced by several factors:

- A significant proportion of audits during 2024-25 resulted in **Reasonable** ratings, indicating a generally sound system of governance, risk management and control in place. This is an improvement from the Limited rating at the end of 2023-24.
- The Council undertook a considerable amount of advisory work and investigations, which has contributed to broader breadth of positive assurance across the audit universe.
- Reduced Staff turnover within the finance team over the past 18 months has also contributed to a continuity of knowledge and information, supporting the improvements in effectiveness of internal controls.

These factors contributed to the overall **Reasonable Assurance** opinion for 2024-25. This means we have a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at the risk the achievement of objectives in the area audited.

While specific percentages of audits receiving negative assurance opinions for 2024-25, 2023-24, and 2022/23 are not publicly disclosed, the reducing trend indicates ongoing improvements in the Council's internal control environment, whilst acknowledging some areas for improvement.

The Council is actively addressing these issues, including strengthening the financial team and implementing recommendations from auditors, aiming to improve the assurance level in future assessments.

External Audit

Grant Thornton LLP, the Council's external auditor, is responsible for providing assurance on the accuracy of the annual Statement of Accounts and evaluating the adequacy of the Council's arrangements for securing and enhancing value for money.

In its most recent Audit Letter, issued in January 2025, Grant Thornton issued a **disclaimer of audit opinion** on the Council's 2023-24 Statement of Accounts. A similar disclaimer was issued in December 2024 for the 2022-23 Statement of Accounts. In both instances, the disclaimers were issued in accordance with auditing standards, which permit modified or disclaimed opinions when statutory reporting deadlines (backstop dates) are reached, even if limited or no substantive testing has been completed.

Grant Thornton was able to complete its **Value for Money (VfM) review**, although found significant weaknesses across financial sustainability, governance and improving economy, efficiency and effectiveness. The report included a series of recommendations designed to support the Council in enhancing its practices and aligning more closely with best practice standards.

Compliance with the Financial Management Code

In 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) introduced the Financial Management Code (FM Code), which sets out 17 standards aimed at supporting sound financial management in local authorities. Since April 2021, councils have been required to demonstrate annual compliance with the FM Code.

Guildford Borough Council undertakes an annual self-assessment against the FM Code to evaluate how well it meets these standards. The 2023-24 self-assessment highlighted steady progress in strengthening our financial management arrangements, in line with both the FM Code and wider governance improvements.

Key elements of this self-assessment include:

- Alignment of financial planning with the Council's Corporate Strategy and priorities
- Transparent and risk-aware budgeting processes
- Strengthened financial reporting and monitoring mechanisms
- Ongoing engagement between finance officers, internal audit, and senior management to ensure effective governance

In addition, the Finance team works closely with Internal Audit to confirm that core governance and financial controls have operated consistently throughout the year. This is further supported by Management Assurance Statements signed by senior officers, affirming adherence to key policies such as Financial Regulations and Codes of Conduct.

The Council remains committed to continuous improvement in financial management and will continue to review and develop its practices to ensure full compliance with the FM Code in future years.

Inspections and Assessments

Regulator of Social Housing

We remain in engagement with the Regulator of Social Housing, since our self-referral in December 2023 to look at our compliance in the Safety and Quality Standard, and in March 2024, we asked them to look at the Transparency, Influence and Accountability Standard. Progress has been made.

Our regular engagement with the Regulator is an integral and intensive part of our [Housing improvement plan](#).

Local Government Association

In May 2025, the LGA will be undertaking an assessment of our IT & Digital Landscape. Findings and recommendations will be incorporated into the Council's Improvement Plan.

Independent Assurance Panel

The Independent Assurance Panel is playing a critical role in monitoring and advising on the Council's improvement efforts, ensuring that Council has visibility and assurance on its journey of improvement.

As part of the [Panel's first assessment](#) to Full Council in December 2024, the Panel concluded that the Council had made very good progress in putting in place a decision-making framework for the Council which is fit for purpose. A number of controls have been introduced including a review of the Council's Key Decision and spending thresholds, a review of the Officer Scheme of Delegation and Council Procedure Rules and the Financial Procedure Rules and Contract Procurement Rules.

The Panel noted the good progress in putting many of the foundations of good governance in place, but agreed that challenges and risks remain and recommending review our resource of the Governance team to support the scale of the work needed.

The Panel's second assessment is expected July 2025 and we will review our Annual Governance Statement following this assessment.

The Council is satisfied that the organisation is improving its governance arrangements, as part of its improvement journey. Whilst, the Council has improved its governance framework this year, there is further work to strengthen it even further and embed the changes into the organisation. The Council remains committed to improving these arrangements, by:

- Delivering the Improvement Plan, including the Governance actions
- Addressing issues identified by Internal Audit as requiring improvement
- Ensuring that effective services arrangements are in place
- Enhancing performance reporting to focus on key risks and areas for improvement
- Using resident engagement to enable services to plan how they will improve services for local people

Last year's Annual Governance Statement highlighted key areas for improvement. The Council's Action Plan assesses our progress on last year's Action Plan, many of which are on-going from last year's Annual Governance Statement due to their long-term nature. We have also identified further actions to be undertaken this year as part of our Governance Improvements for 2025-2026. We also have listed some key performance indicators which provides an overall picture of our governance.

Review of key performance indicators

Area	Performance in 2024-2025
Complaints & Local Government Ombudsman	Of these 22 cases received: <ul style="list-style-type: none">• 12 complaints were not for us• 8 complaints were assessed and closed• 2 complaints were investigated. Of these 2 cases: 1 complaint was upheld, resulting in a 50% uphold rate.

	We have appointed a Complaints Lead who will be driving the Complaints Improvement Plan.
Housing Complaints & Housing Ombudsman	<p>In 24-25, 116 stage 1 complaints (39%) were upheld and 22 (7%) were partially upheld.</p> <p>Of the stage 2 complaints, 10 (45%) were upheld and 4 (18%) partially upheld.</p> <p>The total number of Housing complaints increased from 266 in 23-24 to 323 in 24-25.</p> <p>We had 4 Ombudsman cases in 24-25. We were responsible for maladministration in the handling of repairs, damp & mould and service failure in handling two complaints.</p> <p>Housing have worked hard to improve complaints performance and this is reported to Housing Operations Board.</p>
Information Commissioner referrals upheld	There were 5 cases investigated by the ICO during the year. 3 were upheld, 1 was partially overturned and one was overturned completely
Freedom of Information (FOI) & Environmental Information Regulations (EIR) requests (performance)	711 FOI/EIR requests were received in 2024-2025. 85.8% were responded to within the statutory timeframe (20 days)
Annual Accounts	2023-2024 signed off – Disclaimer of the Audit opinion
Group activities	<p>Governance issues with the Council's Companies, Charities and Trusts were identified in 2023-24, and these are being addressed through the Improvement Plan. Progress has been made but this remains an ongoing priority for the council.</p> <p>The Council continues to receive appropriate information about the performance of its companies, charities and trusts through the Executive Shareholder and Trusts Committee which acts as the designated shareholder committee for the Council.</p>

Review of our Action Plan for 2024-2025 as set out in AGS 2023/2024

Good Governance principles	Planned Improvement for 2024-25	Update	Open - Closed
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Constitution review	<p>This review is ongoing, aiming to complete September 2025. There has been significant progress where priority areas of the Constitution has been reviewed and revised. Work is progressing to finish this review.</p> <p>Recent updates have included Officer Employment Procedure Rules, Council Procedure Rules, Financial Procedure Rules, Contract Procedure Rules, Local Choice Functions, Scheme of Delegation to Officers, Joint Protocol on Councillor and Officer relationships, Public Speaking Rules, Public speaking at Planning Committee and publishing our Scheme of Authorisations online.</p>	Open
	Governance actions with Improvement Plan	<p>We have made significant progress with the Governance actions of the Improvement Plan which was recognised by the Independent Assurance Panel's first assessment.</p> <p>There has been training for Members and Officers in Best Value, Member-Officer Protocol, and decision-making. Statutory officers now meet regularly and there is work progressing to improve Executive decision-making and officer decision making, and monitoring these delegations.</p> <p>As a live programme of work, this action will be ongoing. There is ongoing work to improve the operation and arrangements of our committees and to support Members. This includes improving our scrutiny function and the Council's arrangements for our Companies, Charities and Trusts so the Council fulfils its duties in respect of the shareholder function and in respect of best value and continuous improvement.</p>	Open
	Align codes of conducts and HR policies to the new Corporate Strategy	<p>Pay policy has been updated and interim Job Evaluation framework and policies for joint posts introduced. Relationships at Work Policy complete.</p> <p>A revised Member Code of Conduct (based on the LGA Model Code of Conduct) was adopted by the Council in January 2025.</p> <p>Key HR Policies are in the process of being reviewed with Waverley Borough Council, due to be complete by June 2025.</p>	Open

<p>Ensuring openness and comprehensive stakeholder engagement</p>	<p>As part of our new Corporate Strategy,</p> <ul style="list-style-type: none"> • Develop a communications strategy to enable us to most effectively communicate with residents and external stakeholders. • Develop a customer services strategy to ensure that the experience residents and other customers have of the council is always improving. • Develop a digital strategy to inform and guide our continuing digital transformation. • Develop a consultation and engagement strategy. • Consider the use of innovative tools and approaches for community engagement. • Carry out residents' surveys to understand the concerns and priorities of residents, as well as understanding how the council is performing. 	<p>Using feedback from the Leader and Portfolio Holder, senior officers and staff, the Council developed a new Communications Strategy – to be approved in Summer 2025.</p> <p>We also undertook stakeholder events and a resident survey to inform our Delivery Plan 25-26, and we also worked with Surrey Councils to undertake a resident survey on local government reorganisation.</p> <p>The Housing service has strengthened its relationship with the Tenant Engagement Group and there is now a Housing Operations Board to keep the Council accountable to tenants and Members in its performance, policies and decision-making. Following our regulatory judgement, there has been continued engagement with the Regulator of Social Housing to assure our compliance with statutory duties</p> <p>The Council has updated the Whistleblowing Policy, established a weekly staff briefing and increased our communication with services and stakeholders. Staff networks have been created.</p> <p>This is ongoing with more work to do in customer services, digital and community engagement.</p>	<p>Open</p>
<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<p>Finalise and implement strategies outlined in the Corporate Strategy, including a clear resource planning framework.</p>	<p>A number of strategies have been developed this year including Corporate Procurement Strategy, Housing Strategy, Homelessness Strategy, Risk Management and Comms Strategy. The People Strategy is in development too and will incorporate the staff survey results.</p> <p>The Council's Delivery Plan will be approved in May 2025. There are further strategies to be developed in 25-26.</p>	<p>Open</p>
	<p>Align the Medium-Term Financial Plan (MTFP) with sustainable development goals</p>	<p>The budget planning process was aligned to the Corporate Strategy and will continue to do so in 26-27</p>	<p>Closed</p>
	<p>Conduct regular performance reviews to measure progress against defined outcomes.</p>	<p>The Council has performance monitoring to Overview and Scrutiny Committees every quarter.</p> <p>Officers also have a Corporate Leadership Board: Risk and Performance where the focus is on organisational performance.</p>	<p>Closed</p>
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>Service Plans are being developed for all areas of the Council, which will act as a focal point for ongoing internal and external performance monitoring.</p>	<p>A new service planning process has been developed, aligning to service budget and resources.</p> <p>Service plans are an annual process; these will be updated with the Delivery Plan 25-26.</p>	<p>Open</p>

	Service challenge sessions for the budget planning 25-26	Completed, and will be replicated in 26-27 budget planning.	Closed
	Develop a centralised project management framework with defined roles and responsibilities	This was added to the Improvement Plan for the Council and a Community of Practice was set up across G&W staff to help develop a centralised framework. This work is ongoing. We have an officer Board: Enterprise Portfolio Board to support our strategic programmes and projects.	Open
	Strengthen procurement policies, including training programs and a robust Procurement Toolkit.	In preparation for the new Procurement Act which became live in February 2025, the Procurement team developed a new Strategy and policies. This included a toolkit to provide operational guidance for staff. New Contract Procurement Rules were agreed by the Council in October 2024.	Closed
	Enhance oversight mechanisms for contracts to ensure accountability and risk management	There is a contracts database in place.	Closed
Developing capacity, including the capability of leadership and the individuals within it	<ul style="list-style-type: none"> Launch a joint People Strategy to address recruitment, retention, and staff development. Provide targeted training programs for senior leaders and committee chairs. Establish clear career progression paths and regular staff engagement initiatives. Carry out regular staff engagement activities, including staff surveys. Support staff career progression through training and other development opportunities. Support staff wellbeing at work though delivering a programme of wellbeing activities. Support the establishment and operation of staff networks 	Progress has been made in 2024-2025 with the establishment of multiple staff networks. We also conducted our comprehensive staff survey in October-November 2024, and pulse surveys will be carried out for staff too. We also have confirmed budget to undertake this survey annually. There have been multiple staff away days and workshops as part of our cultural improvements across the organisation as well as a Guildford Improvement Champions Group – a staff engagement group focused on Guildford's Improvement Plan. There is still work to do and this is illustrated in the action for 25-26 of reviewing the HR function. One of the Independent Assurance Panel's priorities for the Council was to review of the HR function to address capacity and capability issues in order to support the Council's improvement agenda. A strong, efficient and professional HR team will be critical to the successful delivery of key strands within the plan.	Open
Managing Risks and performance through robust internal control and strong public financial management	Introduce a new risk management strategy.	Risk Management Strategy was adopted by the Executive in January 2025 and is now live, supported by Zurich Insurance. There has been briefings and training for members and officers.	Closed
	Enhance financial oversight by replenishing reserves and adopting transparent budget planning processes.	Reserves were replenished this year through a £3M VAT return and are at an acceptable level according to the S151 Officer. Budget Planning process was more transparent with services and Members, with regular training and financial monitoring reporting.	Closed
	Roll out a comprehensive performance management system tied to strategic objectives.	Initial work was undertaken to align the Performance Management Process with the Council's Corporate Strategy and Values and this is in place. Further development will form part of the Strategic HR Review.	Closed

	<p>A number of Procurement actions including:</p> <ul style="list-style-type: none"> • New Corporate Procurement Strategy • Training package for officers and members • Procurement Toolkit provides the tools and guides to assist officers for all levels procurement. • Reviewing the need to have a central contracts database and to understand the risk-impact criticality of each contract. • Improved contract management 	<p>The Corporate Procurement Strategy was approved in April 2025 and this includes a toolkit to provide operational guidance for staff. There have been several training sessions for officers and Members on the new Procurement Act and the procurement procedures rules at Guildford. There has also been contract management training for key officers and there are plans for further training.</p> <p>Guildford also has established a new contracts database.</p>	Closed
	<p>The ICT user policy will undergo a review to ensure it appropriately covers all data protection and information governance considerations.</p> <ul style="list-style-type: none"> • Introduce a new, fit for purpose data sharing agreement for the sharing of data between the two authorities. • Carry out data protection impact assessments for datasets and services. • Update key policies and procedures, including privacy notices to cover the processing of data. • Introduce an IT solution to improve the functionality and compliance of data sharing between the two councils. 	<p>We have an ICT and Digital Programme Board which oversees the delivery the ICT and Digital programme within the Council and helps ensure its alignment with wider objectives, as well as security and technological priorities.</p> <p>A new joint version of the Acceptable Use Policy has been developed, with engagement from unions, and is being finalised.</p> <p>Both IT teams are exploring an IT solution for the two councils, but will consider what is practical given the Local Government Reorganisation announcements.</p>	Open
Implementing good practices in transparency, reporting and audit to deliver effective accountability	LGA Corporate Peer Challenge	Due to LGR announcements, we are discussing this with the LGA.	Open
	Establish a dedicated Audit Committee to focus on statutory audit responsibilities.	Approved and will be in place for 25-26	Closed
	Redefine the terms of reference for the Overview and Scrutiny Committees to enhance effectiveness.	Complete	Closed
	Strengthen reporting frameworks and ensure timely and accurate data for decision-making.	Financial, Performance and Risk reporting frameworks are regularly reported to Committees, and we have reviewed Officer Boards to ensure we are reporting.	Closed

Action Plan for 2025-2026

The Action Plan does not detail the full, day to day conduct of governance activity and Improvement Plan but demonstrates the Council's focus for the year.

Good Governance principles	Action to be taken	Timescale	Responsible Team
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Review the governance process and reporting on declarations of Member and Officer interests, gifts and hospitality	September 2025	HR team
	Strengthen our Statutory Officer arrangements <ul style="list-style-type: none"> • Develop a S151 Protocol • Develop a Statutory Officer Protocol, using LGA guidance. • Review the Monitoring Officer Protocol, using new LGA guidance. 	January 2026	Governance team Statutory Officers
	Continue to embed our whistleblowing arrangements across the organisation <ul style="list-style-type: none"> • Deliver additional whistleblowing training for officers • Review the existing whistleblowing policy 	June 2025 January 2026	Governance team
	Strengthen our governance within the Collaboration with Waverley, including exploring the creation of Joint Committees to deal with business of Joint Services	December 2025	Governance and Transformation team
	As part of the Joint Constitution Review Group: <ul style="list-style-type: none"> • Review Access to Information Rules, Petition Schemes and Articles • Review Social Media Policy 	June 2025	Governance team
	As part Guildford's Improvement Plan, review and develop an improved approach to complaints, ensuring that public voices and concerns are central to our learnings, processes, systems and culture	March 2026	Communications & Customer Services
Ensuring openness and comprehensive stakeholder engagement	Publish the Delivery Plan for 25-26 which will state the key strategic actions which will contribute to our Corporate Strategy. This will keep us accountable to residents and Members.	June 2025	Strategy & Performance
	Develop a tenant and leaseholder engagement strategy within the Housing Service so we have a clear approach for engagement.	July 2025	Housing
	Publish the Annual report of the Monitoring Officer, to include the annual update on code of conduct complaint, and publish the annual update on whistleblowing	September 2025	Governance Team
	Create a Partnership Board with our key external stakeholders to support the delivery of our Corporate Strategy.	January 2026	Governance Team
Defining outcomes in terms of sustainable economic, social, and environmental benefits	Review our Key Performance Indicator framework so it better aligns with our Corporate Strategy outcomes and Delivery Plan.	September 2025	Strategy and Performance
	Following the new Procurement Strategy and Procurement Act, review the procurement function, exploring opportunities with the Collaboration Partnership. Embed the behaviours needed to deliver our new Strategy and	March 2026	Procurement

	actively manage our contracts to ensure they are aligned to our Corporate Strategy.		
Determining the interventions necessary to optimise the achievement of the intended outcomes	Review of our key officer boards and meeting groups to enhance effectiveness.	August 2025	Governance team
	Review our HR structure, practices, procedures and policies to ensure we are meeting sector standard, providing the right support for employees and improving service delivery.	December 2025	People
	Review our Policy Framework in the Constitution so there is better clarity and consistency in the approval process for policies.	June 2025	Governance team
	Review the Officer code of conduct	December 2025	People
Developing capacity, including the capability of leadership and the individuals within it	Review the effectiveness of the Council's scrutiny function and support Members with training.	February 2026	Democratic Services team
	Deliver a Governance Training Programme for officers	June – September 2025	Governance team
Managing Risks and performance through robust internal control and strong public financial management	Prepare for the Budget and MTFP process 2026-27, ensuring it aligns to our Corporate Strategy, service planning and Improvement work.	February 2026	Finance
	Strengthen the governance arrangements and scrutiny of our companies, charities and trusts, including a new conflict charities policy	March 2026	Legal Team Corporate Leadership Board
Implementing good practices in transparency, reporting and audit to deliver effective accountability	Improve our report writing standards and process to improve our decision-making and transparency. This includes report training for officers, a new Corporate Schedule and working with Members on their priorities.	December 2025	Democratic Services