

## **ANNUAL GOVERNANCE STATEMENT 2019/2020**

### **1. SCOPE OF RESPONSIBILITY**

Cotswold District Council is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for;
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The Council has a Best Value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The Council has developed and approved a code of corporate governance, which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'). This statement explains how the Council has complied with the code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the Council to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its "Statement on the Role of the Chief Finance Officer in Local Government (2015)". The Annual Governance Statement (AGS) reflects compliance with this statement for reporting purposes.

### **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled including 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, cost effective services.

The system of internal control is a significant part of the governance 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 on-going process designed to:

- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at Cotswold District Council for the year ended 31<sup>st</sup> March 2020 and up to the date of approval of the Annual Statement of Accounts.

In November 2019 a Corporate Peer Challenge of the Council took place. Some the key recommendation of the peer challenge related to:

- In order to produce credible delivery plans for the emerging priorities of the new administration, the council should set aside sufficient and distinct organisational thinking time to develop a credible Corporate Plan and to determine the resources required to deliver.
- Ensure the Council has the strategic leadership capacity it requires, within the retained senior officer team, to: shape the identity and unique agenda of Cotswold District Council and to influence key stakeholders; engage in wider partnership working to help deliver new and emerging ambitions; work with and influence the Publica strategy/policy team; act as intelligent client to commission services from Publica and other partners.
- Develop a medium-term financial strategy to underpin implementation of the Corporate Plan that identifies opportunities to enhance financial capacity including: income from fees and charges; returns on investment from treasury management; savings and income from Publica; opportunities to generate savings and create additional capacity to deliver through partnership working; a commercial strategy, learning from best practice elsewhere, to create new income streams.
- Recognise the value and potential of Publica to refocus capacity to deliver on the Council's ambitions and utilise the opportunity of a new Managing Director (MD) to reset the relationship between the Council and Publica and address governance issues.
- Undertake the LGA's Communications Health Check to support improved communications and help develop a branding strategy.
- Build the Council's organisational capacity by: putting in place a development programme for officers to harness enthusiasm and positivity of Group and Business Managers which will build organisational capacity; strengthening performance management and reporting including programme and project management; a comprehensive reboot of the current transformation programme in order to develop a new programme plan, with resources and expertise in place to deliver.
- Ensure the potential risks associated with any potential equal pay claim are understood and being managed.

In September 2020, Council received an update report showing the progress which has been achieved against each of these recommendations. Some of the recommendations have been addressed and are therefore included within this AGS. Other recommendations will take longer to address and will be reflected in the Annual Government Statement for 2020/21.

Since March 2020, the Council has been managing the impact of Covid-19 which has had a significant impact on the Council, its residents and businesses. The Council and our residents, requiring us to changed the way weit delivered existing services, and driving the was innovative in the creation of new services in order to meet the needs of ourbusinesses and residents. Although Covid-19 only impacted on the Council from March 2020 onwards, the Annual Governance Statement incorporates the current-governance arrangements which were put in place in response to Covid-19 and how these have changed during 2020/2021 as a consequence of the pandemic.

### 3. THE GOVERNANCE ENVIRONMENT

The key elements of the Council's governance arrangements are outlined in the Local Code of Corporate Governance. The governance framework includes arrangements for:

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;

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- Reviewing the Council's vision and its implications for the Council's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the Council's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the executive (Cabinet), non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing and for receiving and investigating complaints;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the Council's overall governance arrangements.

The main areas of the Council's governance framework, and the key evidence of delivery, are set out below, under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)

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

- Behaving with Integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of the law

- The roles and responsibilities of Members generally and all office holders are set out in the Council's Constitution, along with the way in which the various elements of the Council interact and complement each other. The Constitution is supported and underpinned by separate Codes of Conduct for Members and Officers, and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues.
- Declarations are made at meetings by Members, and Officers, where appropriate, and are recorded in the minutes of the meeting. The Members Code of Conduct requires Members to

make declarations of interest when necessary, these are also recorded.

- Registers of Interest are completed annually by Members and Officers and a Register of Gifts and Hospitality is maintained. Members are reminded quarterly to update the Register of Interests.
- The Monitoring Officer and Section 151 Officer report directly to the Head of Paid Service (from July 2020 Chief Executive) -and are members of the Corporate Leadership Team.
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures/statutory legislation. Where non-compliance is identified, this is reported to Management and to Members via the Council's Audit Committee.
- Whistleblowing policies have been ratified by Cabinet. A Counter-Fraud Unit, which delivers services across Gloucestershire and in West Oxfordshire District Council is hosted by this Council to help prevent and detect fraud and corrupt practices, including misuse of power. This service reports to the Audit Committee twice a year. For 2020/21, one of the Audit Committees was cancelled while the Council established virtual meeting arrangements. It is expected that the Audit Committee will receive one update during 2020/21, unless there are exceptional circumstances.
- The Council ~~has~~ put in place a robust set of emergency governance measures to monitor and respond to the Covid-19 pandemic, which ~~has~~ very quickly had an extraordinary impact across the Council, ~~our~~ its services, residents, businesses and communities. These measures are in line with national Emergency Management protocols and involve working with Partner Councils and its main service providers including Publica. Regular meetings (initially twice weekly) were held. Cabinet Members, Members of the Opposition Group, the Chair of the Overview and Scrutiny Committee, Independent and Green Members were invited to the Meetings to ensure that there was transparent and inclusive discussion on matters related to Covid-19. The Head of Paid Service, and latterly the Interim Chief Executive, used powers set out in the Constitution to enable emergency decisions to be taken. Those decisions were subject to consultation with Members as set out in the Constitution. A log of decisions taken was subsequently presented to the Overview and Scrutiny Committee.
- Meetings are minuted, with decisions and key actions recorded appropriately. The Council continues to publish key decisions, in line with legal best practice. The Council has implemented regular updates to and conversations with Members and staff across the Council and within Publica, with extended use of conference call platforms as well as mass emails.
- The Communications service has been fully mobilised to ensure communications through all ~~our~~ channels to support public health advice/information, council service and support information to reach audiences externally and internally. A bespoke Communications strategy was quickly put in place to help key audiences feel 'informed, reassured, safe and inspired', feedback from Members and local businesses has been used to and is evaluated and adapted communications as the pandemic situation ~~develops/developed, and needs change.~~

**B. Ensuring openness and comprehensive stakeholder engagement**

- Openness
  - Engaging comprehensively with institutional stakeholders
  - Engaging with individual citizens and service users effectively
- Annual accounts are published in a timely manner to help communicate the Council's financial position and performance.
  - All Committee, Cabinet and Council reports clearly outline their purpose, ~~so to support~~ the community ~~to can~~ understand what is trying to be achieved. Reports also address financial, legal, equalities, risk and climate change implications to aid understanding of the potential impact of their recommendations.
  - The roles and responsibilities of the executive (Cabinet), non-executive, scrutiny and officer functions are defined in the Council's Constitution
  - A Scheme of Delegation for officers is included within the Constitution
  - Communication channels with staff include: one-to-one meetings between an officer and their supervisor, a weekly update email to all staff from the Publica Directors (Keeping you connected) and an online portal which contains informal blogs, policies, and further detail on subjects highlighted in the Keeping you connected update.
  - A Customer Feedback form is available publicly for handling comments, complaints and compliments.
  - The Council maintains clear channels of communication with all sections of the Community and other Stakeholders. As part of the response to Covid-19, the Council introduced weekly social media CDC Live broadcasts. These broadcasts will continue but have now reduced in frequency to a monthly basis.
  - The ability for members of the public to ask questions at all Committee, Cabinet ~~meetings~~, ~~Overview and Scrutiny Committee meetings~~ and meetings of the Full Council.
  - A report is produced quarterly for the Overview and Scrutiny Committee and Cabinet regarding the service and financial performance of the council and the achievement of its aims and objectives.
  - The Council publishes transparency data on its website which includes supplier payments, senior management structure charts and the Annual Pay Policy Statement. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information request and the procedure that will be followed to answer the request.
  - Restrictions imposed as a result of the pandemic disrupted the normal democratic meeting and decision making procedures. Emergency powers contained within the Council's Constitution have provided the necessary facilities to allow decisions to be made by the Head of Paid Service (from July 2020 Chief Executive), the S.151 Officer or the Monitoring Officer.
  - Although Committee meetings had to be suspended, committees with decision making powers were able to be convened using remote participation by the appropriate members. These meetings included Cabinet Members, representatives from the Opposition Group and other non-executive Members to ensure that decisions were taken in an open and transparent manner.

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

- Defining outcomes
  - Sustainable economic, social and environmental benefits
- The Council's vision is contained within the Corporate Strategy which was approved by the new Administration in September 2019 which contained the Aim, Priorities and Principles of the new Council. A Corporate Plan ~~is in preparation~~ has subsequently been approved which ~~will~~ provides s detail of the outcomes to be delivered by the Council over the next four years. Corporate and Service Plans are drafted and updated annually to support the delivery of the

#### Council's Aim and Priorities.

- Key tasks identified in Service Plans feed into individual work plans/appraisals
- The Corporate Strategy deals with the Council's approach to environment and sustainability issues. Detailed proposals arising from the Corporate Strategy are Individually assessed as they are developed and are included within decision making reports to Members.
- The financial implications of delivering against the Council's Aim and Priorities are included within the Council's Medium Term Financial Strategy, Revenue Budgets and Capital Programme, Capital Strategy, Investment Strategy and Treasury Management Strategy. These key financial documents are updated annually in advance of the forthcoming financial year.
- The Council recognises that the Covid-19 crisis has had a significant financial impact and will have a long term effect on the level of resources available to the Council. As part of its annual update to the Medium Term Financial Strategy (MTFS) the Council will continue to assess its medium term financial position and update its assumptions about the resources available to, and the investment needs of, the Council in light of the consequences of the Covid-19 crisis.
- The Council is facing financial pressure from a combination of additional cost, lost income and the delay to the delivery of savings agreed as part of the Council's MTFS. The Council has received some funding from Government and continues to lobby Government for further funding in recognition of lost income both directly to the Council and to its leisure services provider.
- In response to the Covid-19 emergency, the Government announced financial support packages for small businesses, and those in the retail, hospitality and leisure sectors. The support took the form of two grant funding schemes; the Small Business Grant Fund (SBGF), the Retail, Hospitality and Leisure Grant Fund (RHLG) and a Discretionary Grant Scheme and additional relief on Business Rates. Local authorities were responsible for administering these schemes, and the Government has committed to providing the funding for these payments. Following the announcement of the second lockdown, in November the Council began administering further support grants for businesses closed due to national restrictions and a further discretionary grants scheme.
- The Covid-19 crisis will also have a financial impact on the Council's capital programme. ~~At this stage, it is too early to say what this impact is and officers are currently working through a revision to the Capital Programme as part of the update to the Medium Term Financial Strategy. The Covid-19 crisis has significantly altered the economic circumstances, as a result officers will need to reassess the level of capital resources expected to be available for the new capital strategy and to take time to consider the right use of our capital resources to support the Council plans for the economic renewal of the district. In September the Cabinet approved its budget proposals for 2021/22 for consultation. This included an update of the Medium Term Financial Strategy and its capital programme. Final proposals will be considered by Council in February 2021.~~

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

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes

- The Council has, with three other Councils, created a company, Publica Group (Support) Ltd (Publica), to deliver more efficient and improved services. Where possible, processes have/are being aligned to ensure consistency across the partner Councils. However, the Councils have retained decision making powers over service policies, outcomes and standards. Publica is the Council's most significant contractor. In recognition of this, the Council will monitor the contractor's performance by:
  - Considering Publica's Annual Report at Council;
  - Considering Publica's draft Business Plan annually at the Overview and Scrutiny Committee and Cabinet in February/March each year;

- Requiring representatives from Publica to attend relevant Scrutiny Committee(s) to support discussion on quarterly performance reports;
- Receiving monthly “Keeping You Connected” updates by email from Publica to all Members;
- Meeting informally with Cabinet Members together and invited Members from the opposition party/scrutiny representatives on a regular basis (at least every six months) to discuss: progress against the Business Plan; identify any key risks and challenges outside of the company or Council control; budget monitoring and service delivery matters;
- Develop informal mechanisms to share best practice, learning and Councillor development.

- In addition to the creation of Publica, the Council continues to secure savings through improved use of its assets and investments.
- The Council has processes in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities. Corporate processes such as risk management, performance management processes, budget monitoring and other management processes are designed to capture and incorporate these external factors and to enable the Council to respond appropriately.
- Corporate and Service risk registers are discussed and reported quarterly.
- Key Performance Indicators are identified and included in the Service Delivery Plans for each service, these are reported quarterly.
- Budgets are prepared annually in accordance with objectives, strategies and the Medium Term Financial Strategy, following consultation with customers, stakeholders and officers.
- The Medium Term Financial Strategy (MTFS) is a live document and can be reviewed, updated and reported as necessary, to respond to the changing environment. A refresh ~~is due to be~~ was considered by Cabinet in September 2020 which ~~will reflect~~ s the impact of Covid-19 on the Council.
- The Council will continue to analyse the impact of Covid-19 and understand how the pandemic has impacted its strategic priorities. There will be a need to understand and manage a variety of impacts, including financial, service delivery, and health and wellbeing. Recovery Planning has ~~now~~ commenced, this planning will review and anticipate the challenges we may face during 2020 and beyond in order for the Council to plan, review and respond to the changing needs of residents and businesses. The Recovery Plan ~~is informing~~ ed the Corporate Plan which ~~will be considered~~ was approved by Council in September 2020. The Council will continue to work with residents to help them protect themselves and others as well as recover from the health and economic crisis.

#### **E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

- Developing the entity’s capacity
  - Developing the capability of the entity’s leadership and other individuals
- One of the reasons behind the creation of Publica was to increase capacity across the four partner councils by sharing common processes and procedures and eliminating (as far as possible) single points of failure. By working in partnership, the Councils are able to share the cost of commissioning bespoke, specialist advice.
  - The move to the provision of services via wholly owned companies is providing the opportunity to engage with a number of Non-Executive Directors that bring experience from a range of different economic sectors. Councillors also have a range of experience which is a valuable asset to the Council.
  - There is a Scheme of Delegation at Member level covering the Council, Cabinet, Individual

Cabinet Members and Other Committees. Similarly, there is a Scheme of Delegation for officer decisions delegated to them. These are reviewed and revised as structures at Council and Officer level change.

- Financial rules are in place and are reviewed and revised as required.
- An induction programme is available to new employees and members alike. Training is also provided for both Members and Officers on an on-going basis as appropriate and necessary. Members on certain Committees (e.g. Planning and Licensing) are required to undertake training before attending the Committee meetings.
- Officers undertake regular 121 meetings with their line manager. As part of these 121 meetings, Offices discuss work plans/tasks and any training requirements associated with the successful delivery of the work plan. Officers are encouraged to complete Continuing Professional Development as relevant to their professional qualifications and service areas hold budgets to ensure that training can be undertaken to maintain skills and knowledge.
- The Head of Paid Service (from July 2020 Chief Executive), the Section 151 Officer, the Monitoring Officer and The Leader of the Council have clear roles and responsibilities and these are contained within the Constitution along with the Member/Officer Protocol.

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

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

- Responsible officers are required to maintain Service / Operational Risk Registers and Senior Officers review the **Strategic Corporate** Risk Register on a quarterly basis. The **Strategic Corporate** Risk Register is reported to the Audit Committee and Cabinet on a regular basis.
- Risks are identified when undertaking Internal Audit reviews and reported when necessary.
- Risks relating to the Covid-19 pandemic and the planned recovery of the Council following the major disruption to its services were identified. A register of Covid-19 risks was managed by Publica on behalf of its client Councils with a review of this register carried out on a weekly basis.
- Performance Management measures the quality of service for users to ensure services are delivered in accordance with the Council's objectives and represent best use of resources.
- Performance is measured on a regular basis and reported to the Overview and Scrutiny Committee and Cabinet.
- Minutes of meetings are published and highlight the challenge made by Members to Officers/Cabinet Members.
- The Internal Audit service is provided by SWAP Internal Audit Services and is run in partnership with other local authorities. The internal audit team provide the internal audit service to both the Council and Publica Group (Support) Ltd which strengthens the Council's oversight of Publica as its most significant contractor.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the S151 Officer. The Audit Plan is approved at the Audit Committee prior to the financial year. The Audit Plan for 2020/21 will be impacted by the Council's response to Covid-19 and will reflect work undertaken to support the Council in responding to Covid. The Audit Committee will receive update reports from SWAP during 2020/21.
- Audit reports, once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to the Audit Committee, on a



quarterly basis.

- Recommendations made in audit reports are followed up 6 months after the completion of the audit and findings reported to the Audit Committee.
- The Audit Committee's Terms of Reference are contained within the Constitution, Members have experience of a scrutiny role and training is provided when appropriate.
- A Counter Fraud Unit is hosted by this Council and supports all the Gloucestershire Local Authorities, West Oxfordshire District Council and other third parties. Where investigations identify possible improvements to the internal control framework the Counter Fraud Unit will liaise with the Internal Audit team to ensure the improvements are followed up and implemented by Management.
- An ICT Audit and Compliance Manager has been appointed as the Council's Data Protection Officer and therefore has responsibility for Data Protection policies and ensuring that officers are informed and appropriately trained.
- The Council is part of the Gloucestershire Information Sharing Partnership. This enables data to be shared when necessary.
- Audit reviews ensure data is held securely whether electronically or hard-copy.
- The MTFS is reviewed and updated on a regular basis to ensure the Section 151 Officer, Head of Paid Service (from July 2020 Chief Executive) and Members are aware of the financial standing of the Council.

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

- **Implementing good practice in transparency**
- **Implementing good practices in reporting**
- **Assurance and effective accountability**

- Data in respect of transparency is published on the Council's website.
- The Council's Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the Council has met its governance reporting obligations. For 2019/20 only the deadline for completion of the audit and publication of the Statement of Accounts was delayed from the end of July to the end of November in recognition of the impact of councils response to Covid-19.
- External Audit recommendations are reported to Audit Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed-up and reported to the Audit Committee, further follow-up is planned if recommendations haven't been actioned in full.

#### **4. REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the officer Governance Group and comments made by the external auditors, other review agencies and inspectorates.

#### **The Council's process for maintaining and reviewing the effectiveness of the governance framework has included the following:**

- Senior Managers within Publica and the Council complete an Annual Assurance Statement at the end of the financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.
- The Council's Leadership Team (including the Section 151 Officer and the Monitoring Officer) review the Corporate Risk Register and the Service Risk Registers being maintained by management on a quarterly basis.
- The SWAP Assistant Director (Head of Internal Audit) provides the Audit Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the Council, which includes its governance arrangements.
- Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined by the Monitoring Officer and an Independent Person(s).
- Induction processes are carried out for newly elected Members.
- The Section 151 Officer ensures training and awareness sessions are carried out for the Audit Committee periodically.
- The External Auditors (Grant Thornton) present progress reports to the Audit Committee.
- The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit Committee.

- Quarterly performance reports, including the budget position, are presented to the Overview and Scrutiny Committee and Cabinet, demonstrating performance management against agreed performance indicators and budgets.
- The Audit Committee reviews the Annual Governance Statement.
- The Audit Committee reviews the Annual Statement of Accounts, the Capital Strategy, Investment Strategy, Treasury Management Strategy and reports from both Internal Audit (SWAP) and External Audit (Grant Thornton), including quarterly progress reports.
- Council approves the annual budget and approves the Capital Strategy, Investment Strategy and Treasury Management Strategy, following recommendations from the Audit Committee.
- Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the management.
- The Annual Internal Audit Opinion for 2019/2020, in respect of the areas reviewed during the year, was Reasonable Assurance.
- The Council's Financial Rules and Contract Rules are kept under review and revised periodically.
- Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government Ombudsman and reports from SWAP or Grant Thornton are also reviewed.

## 5. REVIEW OF GOVERNANCE ACTION PLAN FOR 2019/2020

When preparing its 2018/19 statement the Council identified a number of areas which required focus and attention. These have been actively monitored throughout the year and progress is detailed in the table below:

	Key Area of Focus	Planned Actions	Outcome
1	Member induction following elections	The Council will be holding elections in May 2019 and will need to ensure that Members, particularly new Members, receive appropriate support and training to enable them to fulfil their role effectively.	Complete
2	Update Corporate Strategy	Following elections in May 2019, the Council will need to produce a new Corporate Strategy, setting out its aims and objectives for the next four years.	Corporate Strategy approved September 2019, supporting Corporate Plan <del>to be considered</del> <u>approved</u> September 2020.
3	Publica Ltd	The Council needs to embed the governance arrangements relating to Publica. This includes implementing new Service Delivery Plans which will enable improved performance reporting using a new set of Key Performance Indicators and new arrangements for engagement between Publica and Council Members.	The new Service Delivery Plans and Key Performance Indicators are dependent upon the new Corporate Plan <del>to be considered</del> <u>approved</u> by Council in September 2020.
4	General Data Protection Regulation (GDPR)	The Data Protection Regulatory framework changes in May 2018. The Council has an approved action plan which it needs to ensure is implemented in a timely manner to ensure it is compliant with the new requirements.	Progress against the Action Plan is regularly reported to the Audit Committee.
5	Ubico Ltd	A review to be carried out of the current governance arrangements with Ubico Ltd. and how this can be strengthened.	The Council's Audit Committee considered a report on Ubico governance arrangements during 2019/20. The new Ubico Finance Director is working closely with the Council's Chief Finance Officer. A new Managing Director <del>appointment has been</del> <u>appointed</u> for Ubico <del>is in progress</del> and further work on governance arrangements will be taken forward with the new Managing Director.
6	S106 Agreements and Funds	To implement internal audit recommendations relating to service area consultation as part of negotiation of S106 Agreements, lack of monitoring of S106s, timelines of income and payments to third	The Council has implemented new procedures as a result of the adoption of a Community Infrastructure Levy (CIL) Policy. Improvements to the S.106 procedures were due to be

	parties, reporting of S106s.	addressed as part of the implementation of the CIL processes. Internal Audit work is planned to follow up on previous recommendations during 2020/21.
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## 6. GOVERNANCE ACTION PLAN FOR 2020/21

In preparing this statement and reviewing the effectiveness of the governance arrangements a number of areas have been identified where the Council needs to focus attention and improve arrangements over the next financial year. These areas of work are planned to strengthen the control framework and are set out in the table below.

No.	Key Area of Focus	Planned Actions
1	Corporate Plan	<ul style="list-style-type: none"> <li>Develop Corporate Plan, to underpin Corporate Strategy</li> <li>Development of new performance management framework, including Service Delivery Plans and Key Performance Indicators linked to new Corporate Plan</li> </ul>
2.	Ubico Ltd	<ul style="list-style-type: none"> <li>A review to be carried out of the current governance arrangements with Ubico Ltd. and how this can be strengthened.</li> </ul>
3	Impact of Covid-19	<ul style="list-style-type: none"> <li>Learn from Covid-19 response and take forward best practice into future governance arrangements</li> <li>Support the economic and community recovery of the Cotswold District, ensuring that the environment and addressing the climate emergency are intrinsically linked with all recovery work.</li> <li>Keep the Covid-19 related financial impact on the Council under review and produce revised MTFS mid-year</li> </ul>
4.	Capital Investment Strategy	<ul style="list-style-type: none"> <li>Development and implementation of a new Investment Strategy for community and economic recovery and regeneration, to support corporate priorities including addressing the climate change emergency and provision of social housing</li> </ul>
5.	Audit recommendations	<ul style="list-style-type: none"> <li>Ensure outstanding audit recommendations (including where timescales were affected by Covid-19) are addressed and revised timescales agreed</li> </ul>
6.	Procurement	<ul style="list-style-type: none"> <li>The Internal Audit Procurement review focussed on the processes undertaken on behalf of Publica for the partner Councils. A number of weaknesses were identified and, although some progress has been made, further improvements are required.</li> </ul>
7.	Business Continuity	<ul style="list-style-type: none"> <li>Review all business continuity plans in the light of the Covid-19 experience, working with the Local Resilience Forum and the Civil Protection Team to review our BCP template and Corporate Recovery Guide</li> </ul>

The Annual Internal Audit Opinion, as drafted by the SWAP Assistant Director (Head of Internal Audit), lists 28 pieces of audit work being conducted during 2019/20, which includes consultancy and advisory services. 15 assurance reviews were completed during the year.

All recommendations made are followed up by the Audit Team. The team have not raised any additional concerns over the delay / non-implementation of recommendations.

## 7. APPROVAL OF LEADER AND ~~HEAD OF PAID SERVICE~~ INTERIM CHIEF EXECUTIVE

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

**Signed on behalf of Cotswold District Council:**

**Joe Harris**  
**Leader of the Council**  
**Executive**

~~Head of Paid Service~~ Interim Chief

**Date:**  
(END)

**Date:**