

**ANNUAL GOVERNANCE STATEMENT 2014-15**

**1. Scope of responsibility**

- 1.1. Cotswold District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Cotswold District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3. Cotswold District Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the authority's code can be obtained from Internal Audit. This statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

**2. The purpose of the governance framework**

- 2.1. The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled including activities through which the Council accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2. 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 ongoing process designed to identify and prioritise the risks to the achievement of Cotswold District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

- 2.3. The governance framework has been in place at Cotswold District Council for the year ended 31 March 2015 and up to the date of approval of the statement of accounts.

### **3. The governance framework**

- 3.1. The annual governance statement includes a brief description of the key elements of the governance framework that the authority has in place.
- 3.2. CDC is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance. This document therefore sets out and describes the Council's commitment to corporate governance. It identifies the arrangements that have been made and will continue to be made, to ensure its effective implementation and application in all aspects of the Council's work.
- 3.3. For the purpose of this Local Code, CDC has accepted the definition of Corporate Governance as follows:  
"Corporate governance is the system by which local authorities direct and control their functions and relate to their communities".
- 3.4. CDC recognises that effective local government relies upon the public having a level of confidence in both elected Members and Officers of their local Council.
- 3.5. Setting high standards of self-governance provides a clear and demonstrable lead to both our existing and potential partners.
- 3.6. This year we formally self-evaluated our current governance arrangements and produced this Annual Governance Statement. In order to review our current arrangements, we:

- Considered the extent to which we comply with the principles and requirements of good governance as set out in the Local Code of Corporate Governance
- identified systems, processes and documentation that provided evidence of compliance;
- identified the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation;
- Ensured that management and reporting arrangements were in place to monitor governance effectiveness;
- identified the issues that had not been addressed adequately and considered how they should be addressed;
- identified the individuals who were responsible for undertaking the actions required and plan accordingly;
- Ensured risk management arrangements were in place and were operating effectively; and
- Ensured that systems of control are working effectively.

3.7. Our assurance framework ensured that we had continuous governance arrangements in place. Assurance was obtained from a number of sources, for example, independent external inspection agencies, internal review functions and effective business management systems like performance and risk management. Maintenance and development of our assurance framework is overseen by the Audit & Scrutiny Committee.

3.8. Key supporting elements of the Council's Governance Framework are described below:

3.9. The Council's strategic and operational planning framework is determined by the Corporate Strategy and the Corporate Plan. The Corporate Strategy covers a four-year period with the Corporate Plan covering the plans for the next year. The Corporate Strategy and Corporate Plan is combined into one document which is an important reference source for staff, Councillors, stakeholders, partners and the public in that it sets out the Council's short and medium term plans.

3.10. Progress against the Corporate Plan is monitored and reported to Cabinet and Audit & Scrutiny Committee throughout the year. The quarterly finance/service performance report describes progress against the Council's top tasks and efficiency

measures, and key tasks that contribute to the achievement of the Council's priorities, performance indicators, and risks identified during the service planning process. In addition, the report also contains an update on the Council's finances, both revenue outturn and capital expenditure.

- 3.11. The Council's decision-making processes are set out in the Constitution. Committee meetings are open to the public except where exempt and/or confidential matters are discussed, and schedules of meetings, agendas, reports and minutes are available to the public on the Council's web site. A rolling Forward Plan is also available which details key decisions to be made in the coming four-month period and members of the public are able to make representations about any of these matters.
- 3.12. Democratic Services staff support Members in ensuring the requirements of the Constitution are adhered to. The Council's Monitoring Officer ensures compliance with established policies, procedures, laws and regulations, and Internal Audit further supports this through a risk based programme of audit work. The Council's External Auditor also comments on the Council's procedures for delivering value for money.
- 3.13. Risk registers are now well established both at service level and at corporate level. The service registers have been developed as an integral part of the service planning process and form part of the service delivery plans. The corporate risk register has six dimensions relating to different types of risks; these are overarching strategic risks, finance, customers, business processes, organisational learning and longer term risks. Risk management is well embedded with risk issues being discussed at Corporate Management Team meetings. The Audit & Scrutiny Committee receives the full corporate risk register and key risks (primary) on the service risk registers as part of the quarterly finance/service performance report. Key risks are also reported to the Cabinet. The Risk Management Group meets regularly to review the risk registers in detail. The risk registers are at two levels; corporate and service. The service registers include service risks, capital risk and programme risks. If any of these service risks are scored 12 or higher they are escalated to the corporate register. This escalation allows decisions or actions to be taken at Corporate Team level where individual Heads of Service or the relevant Programme Board does not have the authority or resources to implement mitigating action. Risk management procedures continue to be closely aligned to the performance monitoring function.

- 3.14. The Council ensures accurate and timely performance information is produced to inform Corporate Team, Audit & Scrutiny Committee and Cabinet. This ensures that underperformance is identified early and remedial action is considered. All tasks and performance indicators as set out in the Service Delivery Plans are attributed to individual Heads of Service and Portfolio Holders to ensure direct accountability. Progress and performance is monitored using the Council's corporate performance management system, and reported on a quarterly basis.
- 3.15. The Council has good financial management mechanisms in place for monitoring and reporting against the medium term financial strategy and the budget for the year. A full review of cost centres is carried out each quarter with key variances being investigated and explained. The change programme "One Team" was introduced in 2009/10. Budget reports are provided to the Programme Team so that efficiency targets can be monitored and performance reported to the Board. Capital expenditure, which is linked to the corporate plan and the medium term financial strategy, is also monitored and reported to Members. The availability of Financial Rules and Contract Procedure Rules on the intranet, the advice and support provided by the Accountancy Section and the ongoing provision of training on financial matters ensures officers have the information and support they need to maintain a sound financial framework. The Financial Rules and Contract Procedure Rules are also available to Members and members of the public via the Constitution on the CDC website. In addition to publishing all accounts and Annual Audit Letters in accordance with legislative requirements, the Council also publishes a summary of its financial statements in a user friendly format as part of its annual report. The Council has embedded the core principles the Government's Transparency Agenda into its operations and has decided to publish all its financial spend (not just that which exceeds the thresholds contained in Government guidance) on its website on a monthly basis, and responds to any questions arising from this.
- 3.16. The Council's senior management is lead by a Shared Chief Executive and supported by a Joint Corporate Management Team which has overall management responsibility for both this Council and West Oxfordshire District Council. The Joint Corporate Management Team is further supported by Heads of Service, many of which are also shared positions with West Oxfordshire District Council. One of the Heads of Service is also shared with Cheltenham Borough Council and Forest of Dean District Council as she fulfils the role of Head of GO Shared Services, which provides services to all four councils

#### **4. Review of effectiveness**

- 4.1. Cotswold District 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 certificates provided by the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 4.3. It comprises the systems and processes and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 4.4. The local Code of governance has been developed in accordance with and is consistent with the "Delivering Good Governance in Local Government: Framework" issued by the CIPFA/SOLACE Joint Working Group in December 2012.
- 4.5. Core Principles of Good Governance

The core governance principles of the Council are:

- 1) focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- 2) Members and Officers working together to achieve a common purpose with clearly defined functions and roles;

- 3) promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- 4) taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- 5) developing the capacity and capability of members and officers to be effective; and
- 6) engaging with local people and other stakeholders to ensure robust public accountability.

#### 4.6. Applying the Core Principles of Good Governance

4.6.4 The six core principles are each supported by a number of principles, which in turn have a range of specific requirements that apply across the Council's business. The Code of Corporate Governance sets out how Cotswold District Council ensures compliance with these corporate governance principles.

1.	<b>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</b>	
	<i>Supporting Principles</i>	<i>Practice at Cotswold District Council</i>
1.1	Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users.	<p>The Council has a Corporate Strategy and Corporate Plan spanning three years (2012-2015) which outlines the Council's Aim 'to be recognised as the most efficient council in the country', the Council's Priorities and the Top Tasks to achieve those priorities. The Council's Aim and Priorities are determined by Members through Cabinet and Council, following consultation with the public.</p> <p>The Council also publishes an annual report, the 'Review of the Year' which sets out the Priorities</p>

		<p>and outlines achievements against them as well as other actions and details of the Council's finances and performance. The Corporate Strategy and Review of the Year are published on the Council's website.</p> <p>The Council is currently preparing a new Local Plan for the District. This will align with the National Planning Policy Framework and set out a long term plan for managing development up to 2031. Local Plans are important documents because they guide future planning decisions about what is built and where, including new homes and businesses. The Local Plan provides a spatial expression of the Council's Vision. The Council consulted in January and February 2015 on the draft Local Plan, including Development Strategy, spatial portrait, vision, strategic objectives and strategic policies as well as proposed site allocations for employment and housing. The Local Plan will be submitted for examination in 2016.</p>
1.2	<p>Reviewing the authority's vision and its implications for the authority's governance arrangements.</p>	<p>The Corporate Strategy and Plan are fundamentally reviewed every 4 years, linked to the election cycle, and updated annually having regard to new information (e.g. 2011 Census). The Top Tasks for the forthcoming year are also refreshed.</p>
1.3	<p>Translating the vision into objectives for the authority and its partnerships.</p>	<p>The Aim and Priorities in the Corporate Strategy are supported by a series of Top Tasks i.e. the most important key actions needed to meet the Priorities. Underpinning the Priorities and Top Tasks are Service Delivery Plans (SDPs) which set out how each service contributes to the achievement of the Council's Aim and Priorities, and identifies who is accountable</p>
1.4	<p>Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they</p>	<p>The Council's Aim 'to be recognised as the most efficient council in the country' is being measured using a basket of indicators based on cost, outputs and outcomes. A baseline has been</p>



	represent the best use of resources and value for money.	<p>established to gauge future progress and improvements. Progress on the Council's efficiency measures is reported to the Audit and Scrutiny Committee and Cabinet on a quarterly basis for review and challenge, along with other performance data, including the Council's top tasks, key tasks that contribute to the Council's Priorities, and performance indicator outturns.</p> <p>The Council has also identified the need to measure customer satisfaction. There are various means of measuring customer satisfaction across the Council and these are tailored to corporate and/or service specific needs. Examples include surveys of visitors and service users, comments cards etc. The Council also carries out consultation on its Budget Strategy annually to judge the public's views on its spending/savings plans.</p>
<b>2.</b>	<b>Members and Officers working together to achieve a common purpose with clearly defined functions and roles</b>	
2.1	Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements.	<p>The Chief Executive is designated as the Head of the Paid Service. His duties in this regard are set out in the Council's Constitution and the officer's detailed job specification. This role is a shared arrangement with the West Oxfordshire DC under a formal secondment agreement. The respective roles of Leader and Chief Executive are set out in the Council's Constitution, underpinned by the more general requirements of the Member/Officer Protocol. Other aspects are contained in the Chief Executive's job specification. An appraisal process across the two Councils is in place.</p> <p>The Council has a Protocol which sets out the roles and responsibilities of Members and officers and gives guidance in relation to planning work.</p>
<b>3.</b>	<b>Promoting the Council's values and upholding high standards of conduct and behaviour</b>	
3.1	Developing, communicating and embedding codes of conduct, defining	The roles and responsibilities of Members generally and all office holders are set out in the

	the standards of behaviour for members and staff.	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 set out guidelines as to behaviour and practical issues. A comprehensive induction programme provides further assistance to Members and officers as to their roles and responsibilities. The Constitution is also reviewed regularly reflecting legislative changes, guidance and best practice.
<b>4.</b>	<b>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>	
4.1	Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.	<p>The Constitution contains a comprehensive description of the allocation of functions and responsibilities across the Member and Officer structures. The relevant sections are kept under regular review to ensure that it accurately reflects legislative and local requirements, guidance and best practice.</p> <p>The Council has a Data Quality Policy. At year end, officers are requested to verify the outturns of their performance indicators and to provide supporting evidence. Internal audit reviews performance management arrangements, including the outturns for a number of performance indicators annually.</p>
4.2	Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability.	The Council has a Risk Management Policy and risks are identified and managed both corporately and at service level, as part of the Performance Management process. The Risk Management Group meets quarterly and reviews the Corporate risk register. Decisions are made regarding risk scores, removing obsolete risks and adding new risks to the register. Audit and Scrutiny Committee has oversight of the Risk

		Management Policy and processes. Appropriate training is provided to Members and Officers. The standard committee report template also includes a section to highlight/identify associated risks.
4.3	Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained. Including the "CIPFA code of practice on managing the risk of fraud and corruption".	<p>The Council has an Anti-Fraud and Corruption strategy. All new employees and members are briefed on the policies during their induction. Refresher training is provided to Heads of Service, managers and Members as required. Anti-fraud and corruption guidance is issued to all staff and managers. This guidance includes relevant Whistle-Blower Policy references and direction.</p> <p>In 2014-15 the Head of Audit Cotswolds successfully led a bid for funding to DCLG to combat fraud in the region via the establishment of a Gloucestershire-wide Counter Fraud Hub. Also counter fraud resources were maintained despite the introduction of the DWP Single Fraud Investigation Service in February 2015. Through this work the Council's Chief Finance Officer is able to make the following statement:</p> <p><i>"Having considered all the principles, I am satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud."</i></p>
4.4	Ensuring effective management of change and transformation.	<p>The One Team programme controls and delivers the projects of change and this has been broadened to include joint working with WODC to deliver further efficiencies, in line with the Council's overall aim to be recognised as the most efficient Council in the country.</p> <p>Furthermore, the change programme 2020 Vision was introduced. This is a programme to develop further collaborative working between this authority and three others.</p>
4.5	Ensuring the authority's financial management arrangements conform	The governance requirements in the CIPFA Statement are that the CFO should be

	<p>with the governance requirements of the <i>CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)</i> and, where they do not, explain why and how they deliver the same impact.</p>	<p>professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members (of that team). The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Report, together with how these deliver the same impact.</p> <p>Although the Chief Finance Officer does not report directly to the Chief Executive at Cotswold, she reports to the shared Strategic Director of Corporate Resources (also a qualified accountant with Chief Finance Officer responsibilities for West Oxfordshire District Council). Having access to a second individual with CFO skills and knowledge strengthens the Leadership Team at Cotswold. The Cotswold Chief Finance Officer has direct access to the Chief Executive as necessary. She also attends meetings of the Joint Corporate Management Team and Joint Heads of Service Team where she is able to fulfil her Chief Finance Officer role.</p>
4.6	<p>Ensuring the authority's assurance arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Head of Internal Audit (2010)</i> and, where they do not, explain why and how they deliver the same impact.</p>	<p>The Head of Audit Cotswolds fulfils the role of Head of Internal Audit for Cotswold DC. Through the Partnership Section 101 Agreement, and the Job Description for the position, it is evidenced that the CIPFA role is delivered in full. A statement of the 5 Principles within the CIPFA role has been completed by the Head of Audit Cotswolds demonstrating compliance with this requirement.</p>
4.7	<p>Ensuring effective arrangements are in place for the discharge of the monitoring officer Function.</p>	<p>The Shared Head of Legal and Property Services is designated as the Monitoring Officer (with the Head of Democratic Services as Deputy). Duties in this regard are set out in the Council's Constitution and the officers' detailed job</p>

		specifications. These Officers, supported by others within Democratic Services and Legal Services, ensure that the Council's decision-making processes comply with legislative and Constitutional requirements.
4.8	Ensuring effective arrangements are in place for the discharge of the head of paid service function.	The Chief Executive is designated as the Head of the Paid Service. His duties in this regard are set out in the Council's Constitution and the officer's detailed job specification. This role is a shared arrangement with the West Oxfordshire DC under a formal secondment agreement.
4.9	Undertaking the core functions of an audit committee, as identified in CIPFA's <i>Audit Committees: Practical Guidance for Local Authorities</i> .	The Council has an Audit and Scrutiny Committee which was established during the 2013-14 municipal year and continued through 2014-15. The Audit and Scrutiny Committee receives reports from Internal and External Audit, reviews and recommends the Council's financial statements and Treasury Management reports to full Council. Full details of the terms of reference and functions of the Committee are set out in the Constitution.
4.10	Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.	All reports contain a section on legal implications, including comments relating to ultra vires where relevant. The Council's Contract Procedure Rules also include information relating to letting contracts under European Regulations.
4.11	Whistleblowing and receiving and investigating complaints from the public.	The Council has published a whistle-blowing policy. The Council also has an Anti-Fraud and Corruption strategy. All new employees and members are briefed on these policies during their induction. Refresher training is provided to Heads of Service, managers and Members as required. This includes requirements within Contract Procedure Rules requiring contracting organisations to ensure that employees are made aware of the Council's Whistle Blowing Policy.

		<p>The Whistle Blowing Policy is communicated to all existing contractors and ensuring they make their employees aware of how to access the Council's policy.</p> <p>The Council's complaints process includes a centrally managed recording system (using Excel) to log all complaints. This system enables reports to be generated including statistical data on numbers and types of complaint.</p>
<b>5.</b>	<b>Developing the capacity and capability of Members and officers to be effective</b>	
5.1	Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.	<p>The induction programme provided for Members immediately after each District Council election, together with the on-going programme, aims to provide Members with the skills needed to perform their roles. Members are encouraged to identify individual and specific training and development needs. Members are also required to undertake training before performing some specific roles, such as planning and licensing. Officers are appraised annually and the process identifies any skills or training gaps. The Corporate Training Programme is developed from the identified training gaps.</p>
<b>6.</b>	<b>Engaging with local people and other stakeholders to ensure robust public accountability</b>	
6.1	Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.	<p>The Council has a Communications and Engagement Strategy and actively consults with the public as appropriate. The Council also ensures that it undertakes targeted consultation on established groups such as representatives of the elderly, youth and people with disabilities, for instance, on specific service proposals which may affect them, as well as more general public consultation on the Council's Budget Strategy and the Council's Priorities.</p> <p>The Council also has an Equality Scheme, part of</p>

which sets out how the authority aims to consult with people from protected groups on proposals which may affect them. The Council aims to target engagement with protected groups at relevant groups, rather than a broad-brush approach. The Council annually publishes information which demonstrates how the Council complies with equality law.

The Council has the Cotswold Community Conversation. Its purpose is to provide a forum for the Council to engage with other agencies and local communities to discuss issues of common interest. This allows partners to develop appropriate responses either in partnership or in the knowledge of what is already happening in the district. By helping to build trusted relationships the Conversation approach helps to strengthen channels of communication and engagement.

The Council's Press and Media Liaison Officer seeks to provide extensive coverage of key issues on behalf of the Council, and to promote wide public awareness of the full range of Council policies, services and facilities. This is achieved through a variety of methods, including media releases, briefings, public fora, newsletters and tweets. The Council also produces its own newsletter (Cotswold News) from time to time, providing information and seeking feedback on important issues, which is circulated to every household in the District.

There are several twitter accounts in the organisation, including the Chief Executive's, which are enabling the Council to keep in touch with residents and service users.

The Council is currently preparing a new Local Plan for the District. This will align with the National Planning Policy Framework and set out a long term plan for managing development up to 2031. Local Plans are important documents

		<p>because they guide future planning decisions about what is built and where, including new homes and businesses. The Local Plan provides a spatial expression of the Council's Vision. The Council consulted in January and February 2015 on the draft Local Plan, including Development Strategy, spatial portrait, vision, strategic objectives and strategic policies as well as proposed site allocations for employment and housing. The Local Plan will be submitted for examination in 2016.</p>
6.2	<p>Enhancing the accountability for service delivery and effectiveness of other public service providers</p>	<p>All tasks and performance indicators are attributed to individual Heads of Service and Portfolio Holders to ensure direct accountability. Service Delivery Plans identify key tasks and three year targets for performance indicators. Local government is accountable in a number of ways. Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities the decisions they have taken and the rationale behind those decisions.</p> <p>All authorities are subject to external review through the external audit of their financial statements. They are required to publish their financial statements and are encouraged to prepare an annual report. Many are subject to national standards and targets. Their budgets are effectively subject to significant influence and overview by government, which has powers to intervene. Members and Officers are subject to codes of conduct. Additionally, if someone believes that maladministration may have occurred, the aggrieved person may lodge a formal complaint with the Council. If that person is not content with any response, then the matter can be pursued through the Local Government Ombudsman.</p>



6.3	Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.	The Council's Partnership Framework and Toolkit which sets out the roles and responsibilities of those representing the Council on partnerships and gives guidance in relation to the management and governance of partnerships. The Council also maintains details of known Partnerships, which are reviewed from time to time.  Furthermore, there is a shared working strategy to guide the operations of the various shared service/officer arrangements
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## 5. Significant Governance Issues during 2014-15

5.1 A key element of the annual governance review process is also to identify any significant internal control issues. The Council has adopted the approach recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) which has identified what may be considered generally as a significant issue. These include:

- The issue has seriously prejudiced or prevented achievement of a principal objective;
- The issue has resulted in a need to seek additional funding to allow it to be resolved;
- The issue has resulted in significant diversion of resources from another aspect of the business;
- The issue has led to a material impact on the accounts;
- The audit committee, or equivalent, has advised that it should be considered significant for this purpose, or
- The Head of Internal Audit has reported on it as significant in the annual opinion on the internal control environment.

5.2 Based on the above; continued rigour is important in the following areas:

- During 2014/15, the Council engaged in the 2020 Vision Programme with Cheltenham Borough Council, Forest of Dean District Council and West Oxfordshire District Council. As part of this programme, the Chief Executive and

one of the Strategic Directors were engaged upon programme work on an interim basis. Arrangements were put in place for the Strategic Director (Corporate Resources) to act as the Head of Paid Service during the interim period.

- There was one area of control framework risk that was reported in the Head of Internal Audit's Annual Opinion in relation to 2014-15. The internal audit of social media required an interim report to be issued due to significant control weaknesses. This report was presented to senior management and an action plan agreed to resolve the issues.

5.3 During 2014/15 a District Electoral Review was conducted by the Local Government Boundary Commission for England (LGBGE). As a result the Council will operate with 34 councillors with effect from the 2015/16 Municipal Year, i.e. 10 fewer than as at present. The Council has therefore reviewed the Member decision-making structure, to ensure that it is fit-for-purpose under the new arrangements. One significant change which will come into effect for the 2015/16 municipal year is the separation out of responsibilities for Audit and Scrutiny. The Audit responsibilities will be undertaken by an Audit Committee while the Overview and Scrutiny responsibilities will be undertaken by an Overview and Scrutiny Committee.

5.4 Over the coming year, the Council will continue to strive for effective, practical and robust corporate governance and deliver improvements where needed.

## **6. Approval of Leader and Chief Executive Officer**

6.1 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: \_

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Leader and Chief Executive on behalf of Cotswold District Council

End of Report