

## ANNUAL GOVERNANCE STATEMENT 2021/2022

### I. 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 2022 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 of the key recommendations 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.
- Strengthening the role of the Overview and Scrutiny Committee.
- 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. Since September 2020, the new Chief Executive position has been filled, the Director of Governance and Development (Monitoring Officer) and a new Cabinet Support Officer has been appointed. In addition a Leadership Development Programme has been implemented which includes Publica officers, the Council's Chief Executive and Deputy Chief Executive. In addition, a revised approach to shareholder engagement is also being developed, led by the Chief Executives of each of the Publica Councils, the Publica Managing Director and each Council leader. The Council is continuing to make progress with some of the recommendations, including programme and project management and a reboot of the transformation programme. The next peer review process has been scheduled for the autumn of 2022.

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 changed the way it delivered existing services, and was innovative in the creation of new services in order to meet the needs of businesses and residents.

The Annual Governance Statement illustrates how the Council's governance arrangements continued to be adapted during 2021/2022 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;
- 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)

<p><b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p> <ul style="list-style-type: none"> <li>● Behaving with Integrity</li> <li>● Demonstrating strong commitment to ethical values</li> <li>● Respecting the rule of the law</li> </ul>
<ul style="list-style-type: none"> <li>● 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 a separate Code of Conduct for Members and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues. This is further supported by Publica's<sup>1</sup> Business Conduct rules which set out guidelines for staff on behavioural issues.</li> <li>● 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.</li> <li>● 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.</li> <li>● An employee declaration is completed annually by all staff. A register of gifts and hospitality is maintained by the Corporate Responsibility team and is considered by the Governance Group every quarter.</li> <li>● The Monitoring Officer and Section 151 Officer report directly to the Chief Executive and are members of the Corporate Leadership Team.</li> <li>● 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.</li> <li>● The Whistleblowing policy was last updated in January 2022 and was agreed by the Audit Committee in March 2022.</li> <li>● 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.</li> <li>● During 2020/2021 the Council put in place a robust set of emergency governance measures to monitor and respond to the Covid-19 pandemic, which very quickly had an extraordinary impact across the Council, its services, residents, businesses and communities. These measures were in line with national Emergency Management</li> </ul>

<sup>1</sup> Publica Group (Support) Limited is a local authority owned company, jointly owned by Cheltenham Borough Council and Cotswold, Forest of Dean and West Oxfordshire District Councils. Over 95% of staff formerly employed by Cotswold District Council are now employed by Publica which delivers services on behalf of the Council.

protocols and involved working with Partner Councils and its main service providers including Publica. It was necessary to extend many of these measures into 2021/2022.

- 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 continued providing regular updates to Members and Officers through the use of video conferencing call platforms, portals as well as emails.
- The Communications service provided communications through all channels to support public health advice / information / messaging, Council service and support information to reach audiences externally and internally. A bespoke Communications strategy was put in place to help key audiences feel ‘informed, reassured, safe and inspired’, and this has been evaluated and adapted throughout the pandemic situation.

#### **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.
  - The Council’s Corporate Plan 2020-2024 was refreshed in May 2022 and is available on the Council’s website.
  - All Committee, Cabinet and Council reports clearly outline their purpose, so the community 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 Planning officers is included within the Constitution. The Council approved a revised and comprehensive Scheme of Delegation for officers on 14 July 2021.
  - The Council has a planning protocol which sets out guidance for both Officers and Councillors when determining Planning applications, specifically those which come before the Planning and Licensing Committee for decision. The protocol sets out the conditions for Members to refer applications within the District to the Planning and Licensing Committee. Referrals are reviewed by a Review Panel which considers which applications should proceed to Committee. The Minutes of the Review Panel are circulated to all Members. The Planning Protocol was updated by Council on 14 July 2021.
  - 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's website includes different ways for customers to give feedback or access services. A customer satisfaction survey was carried out throughout some of the year on the telephone service provided, with the Council receiving high satisfaction scores.
- The Council maintains clear channels of communication with all sections of the Community and other Stakeholders. .
- Members of the public may ask questions at all meetings held in public .
- A report is produced quarterly for the Overview and Scrutiny Committee and Cabinet regarding the service and financial performance of the Council and achievements towards 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 provided the necessary facilities to allow decisions to be made by the Chief Executive, the S.151 Officer or the Monitoring Officer. From 7 May 2021, regulations allowing council/committee meetings to be held remotely ended.

### **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 and contained the Aim, Priorities and Principles of the new Council. A Corporate Plan has subsequently been approved which provides detail of the outcomes to be delivered by the Council over the period from 2020 to 2024. Publica and Ubico deliver the majority of the Council's services and both produce an annual Business Plan which is approved by the Council.
- An annual business planning process is also conducted by Publica, which is informed by the corporate priorities, legislation and government guidance.
- Key tasks identified in the business planning process 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 priorities are included within the Council's Medium Term Financial Strategy, revenue budgets and capital programme. These key financial documents are updated annually in advance of the forthcoming financial year.
- The Council recognises that the Covid-19 pandemic has had a significant impact and continues to have an effect on the level of resources available to the Council. As part of

its 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 pandemic.

- 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 numerous grant funding schemes; and additional relief on Business Rates. Local authorities were responsible for administering these schemes, and the Government funded the payments.
- A Recovery and Investment Strategy was approved by the Council in September 2020, which will assist in guiding decisions on the best use of capital resources to support Council plans for the economic renewal of the District. The Strategy will be refreshed in May 2022 reflecting the latest Medium Term Financial Strategy which was updated in February 2022.

#### **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 one of the Council's most significant contractors. 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;
    - Inviting Publica senior officers to attend monthly Informal Cabinet meetings 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; progress against Corporate Plan
    - Creation of quarterly CDC retained officers/Publica Executives meetings where performance and progress against Corporate Plan priorities is a key agenda item.
    - 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.

- The Strategic risk register is reviewed regularly by the Local Leadership Team and reported to the Audit Committee.
- Projects and services maintain their own risk registers and elevate any high/red risks to the Local Leadership Team and Publica as appropriate for consideration. A Risk Group reviews risk registers each quarter, escalating any emerging risks to the strategic register.
- Key Performance Indicators are identified and 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 is a live document and can be reviewed, updated and reported as necessary, to respond to the changing environment. A refresh was considered by Cabinet in September 2020 which reflects the impact of Covid-19 on the Council.
- The Council will continue to work with residents to help them protect themselves and others as well as recover from the Covid-19 pandemic and the new cost of living 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 provision of services via wholly owned companies is providing the opportunity to engage with a number of Non-Executive Directors that bring a wealth of 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 at Executive, Non-Executive and Regulatory meetings. 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.
  - Induction programmes are 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 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.
- Training is also provided for officers on an on-going basis as appropriate and necessary.
- A Leadership Development Programme has been established and is available to Managers at all levels within Publica and the Council.

#### **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
- A Risk Management Group has been established to undertake quarterly reviews of risk registers, escalating any emerging risks to a strategic level. The Local Leadership Team reviews the Strategic Risk Register on a quarterly basis. The Strategic Risk Register is reported to the Audit Committee 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 and continued to be reviewed until after the height of the pandemic.
  - 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 and 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 provides the internal audit service to both the Council and Publica Group (Support) Ltd which strengthens the Council's oversight of Publica as one of its most significant contractors.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the SI51 Officer. The Audit Plan is approved at the Audit Committee prior to the financial year. The Audit Plan for 2021/22 was impacted by the Council's response to Covid-19 and was updated to reflect work undertaken to support the Council in responding to Covid-19. The Audit Committee continued to receive update reports from SWAP during 2021/22.
- 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 performs the role 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, 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**

- Transparency data 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

- 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 have not been actioned in full.
- The Council has a process for the receipt and processing of freedom of information requests made under the Freedom of Information Act.
- There is a presumption that all reports and the associated annexes to be considered in public meetings will be published. The Council's Legal Officer is consulted in circumstances where reports or annexes contain information which is considered to be exempt from publication.

#### 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 Corporate 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 Chief Executive, Section 151 Officer, the Monitoring Officer and the Publica Locality Director) review the Corporate Risk Register on a quarterly basis. Service and Project Risk Registers are maintained by the relevant Publica Group or Business Manager.
- A Governance Group meets quarterly to discuss and action matters such as staff declarations of interests, gifts and hospitality, action taken on audit recommendations, cyber security, the register of data protection breaches and counter fraud updates.
- 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 and appointed officers.
- 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 2021/22, in respect of the areas reviewed during the year, was “high reasonable”.
- 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 2020/2021

When preparing its 2020/2021 statement, the Council identified a number of areas which required focus and attention. Progress by the end of March 2022 is detailed in the table below:

	Key Area of Focus	Proposed Actions	Progress
I.	Audit recommendations:	<p>Managers to ensure compliance with agreed timescales to implement recommendations.</p> <ul style="list-style-type: none"> <li>● Level 1 &amp; 2 recommendations to be monitored and reported quarterly to Audit Committees. Managers to give feedback where there has been an unacceptable delay.</li> <li>● All recommendations to be reported quarterly to Council Management Team. Managers to give</li> </ul>	<p>COMPLETE</p> <p>Reported by Internal Audit at each Audit Committee</p> <p>Reporting began in October 2021</p>

		feedback where there has been an unacceptable delay.	
2.	Procurement and contract management.	<ul style="list-style-type: none"> <li>● Compliance with new strategy for procurement and contract management.</li> <li>● Ensure all contract conditions are being monitored and fulfilled.</li> <li>● Financial management training to cover procurement and commissioning.</li> </ul>	<p>IN PROGRESS C/F to 2022/23</p> <p>Revised Procurement and Contract Management Strategy presented at Commissioning Board on the 3rd February 2022 followed by Audit Committees at all Councils. Cabinet asked for further development of the Strategy in relation to addressing the climate emergency.</p> <p>Training will be provided to ensure compliance.</p> <p>C/F TO 2022/2023</p> <p>A training plan is currently being developed internally.</p> <p>COMPLETE</p> <p>Financial management guidance included in 2022/2023 budget packs</p>
3.	Constitution and schemes of delegation.	<ul style="list-style-type: none"> <li>● Schemes of delegation to be updated.</li> <li>● Training to be provided where appropriate for Officers given delegated authority.</li> <li>● A training programme for Members to be developed.</li> </ul>	<p>COMPLETE</p> <p>Non-Exec Officer Scheme of delegation, Responsibility for Functions, Finance Rules and Planning Protocol updated and approved.</p> <p>COMPLETE</p> <p>No longer required</p> <p>C/F TO 2022/2023</p> <p>Outstanding - training programme being developed in conjunction with West Oxfordshire and the Forest of Dean District Councils.</p>
4.	Operational Risks.	<ul style="list-style-type: none"> <li>● Operational risk registers to be reviewed quarterly with emerging high level risks escalated to strategic/corporate register.</li> </ul>	<p>COMPLETE</p> <p>The Governance Group reviewed operational risk registers in January and a separate Risk Group has been established to review and</p>

			share risk registers across Publica and the Councils.
5.	Responsibility and accountability of the Council's Senior Leadership Team and Publica Management Team	<ul style="list-style-type: none"> <li>Clarify and embed responsibility and accountability between the Council's Senior Leadership Team and Publica's Management Team.</li> <li>Clarify responsibility and accountability of Publica Officers.</li> </ul>	<p>COMPLETE</p> <p>The Local Leadership Team includes Lead Director for Publica.</p> <p>COMPLETE</p> <p>Councillor Contact Guide included on the Member Portal. Commissioning structure chart and Publica management structure chart updated to reaffirm the different roles between Commissioning and Delivery.</p>
6.	Budget management	<ul style="list-style-type: none"> <li>Review of approvers on 'Business World' to ensure only the approved budget holder (or line manager) is able to approve spending.</li> <li>Financial management training to cover budget management.</li> </ul>	<p>C/F TO 2022/2023</p> <p>Included as part of a bigger review on Business World</p> <p>COMPLETE</p> <p>Financial management guidance included in 2022/2023 budget packs</p>
7.	Project and programme management.	<ul style="list-style-type: none"> <li>New framework for project and programme management to be rolled out.</li> <li>High level project risks to be escalated to the Strategic/Corporate register.</li> </ul>	<p>COMPLETE</p> <p>The framework was launched in Oct 2020 and has been in use since then. The roll out of a Project Management Framework support library to support use of the framework was rolled in in October 2021.</p> <p>COMPLETE</p> <p>Monthly project updates on the project register provide a mechanism to flag that there is a new/increased project risk to raise.</p> <p>The new Risk Group reviews Project Risk Registers to ensure a consistent approach is maintained.</p>

8	Health and safety.	<ul style="list-style-type: none"> <li>● Health and safety audits to be refreshed as we come out of 'lockdown' and staff return to office working.</li> <li>● Fire Risk Assessments to be refreshed as we come out of 'lockdown' and staff return to office working.</li> </ul>	<p>COMPLETE</p> <p>COMPLETE</p> <p>New evacuation process developed, communicated and tested.</p>
---	--------------------	---	---

The Annual Internal Audit Opinion, as drafted by the SWAP Assistant Director (Head of Internal Audit), lists pieces of audit work being conducted during 2021/22, which includes consultancy and advisory services. 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 or non-implementation of recommendations.

## 6. GOVERNANCE ACTION PLAN FOR 2022/2023

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.	Raising awareness of the contract procedure rules	<ul style="list-style-type: none"> <li>• New Contract and Procurement Strategy to be approved and published to all officers, linking to the Contract Procedure Rules.</li> <li>• Planned audit of contract and procurement by SWAP will cover officer awareness of the contract procedure rules.</li> </ul>
2.	A training programme for Members to be developed.	<ul style="list-style-type: none"> <li>• A training programme is to be developed in conjunction with West Oxfordshire and the Forest of Dean District Councils.</li> </ul>
3.	Budget management	<ul style="list-style-type: none"> <li>• Review of approvers on 'Business World' to ensure only the approved budget holder (or line manager) is able to approve spending.</li> </ul>
4.	Risk management training	<ul style="list-style-type: none"> <li>• Training package to be finalised and rolled out.</li> <li>• Full training package and other material covering the risk and opportunity guidance to be published on the Publica portal.</li> <li>• Planned audit of risk and opportunity management by SWAP will cover officer awareness of guidance.</li> </ul>
5.	Compliance with audit recommendations	<ul style="list-style-type: none"> <li>• Improved reporting of outstanding audit recommendations to Local Management Team, Audit Committee and Publica's Audit Risk and Compliance Committee.</li> </ul>
6.	Business Continuity Plans, development and testing	<ul style="list-style-type: none"> <li>• Completion of Business Impact Analysis.</li> <li>• Revised strategic and tactical plans to be developed.</li> <li>• Review of all operational plans prior to a complete desktop exercise.</li> <li>• New programme and plans to be approved.</li> </ul>

## 7. APPROVAL OF LEADER AND HEAD OF PAID SERVICE

We have been advised on the implications of the result of the review of the effectiveness of the governance framework 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**

**Robert Weaver**  
**Chief Executive**

**Date:**

**Date:**

**(END)**