

Annual Governance Statement 2021/22

INTRODUCTION

1. This is Cherwell District Council's Annual Governance Statement for 2021/22. It provides:
 - An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
 - A review of the *effectiveness* of the Council's governance arrangements during 2021/22;
 - A *conclusion* in relation to the effectiveness
 - A review of the *action plan* completed in 2021/22
 - An *action plan* for 2022/23
 - An *annex* summarising our governance framework

The Annual Governance Statement is required by law¹ and follows the best practice guidance from the Chartered Institute of Public Finance and Accounting (CIPFA). This year, as in the previous year, the Statement also highlights the governance issues posed by the continuing COVID-19 pandemic.

STATEMENT OF OPINION

2. It is our opinion that the Council's governance arrangements in 2021/22 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2022/23. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, the Council's governance in dealing with the pandemic and our ability to maintain sound governance during the outbreak, has been effective.

SIGNATURES

Signed on behalf of Cherwell District Council:

.....	Date	Date
Yvonne Rees		Cllr Barry Wood	
Chief Executive		Leader of the Council	

¹ Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015

REVIEWING OUR EFFECTIVENESS DURING 2021/22

This review looks at:

- Effectiveness of the Council's governance – generally and in relation to COVID-19
- Conclusion about this effectiveness
- Internal Audit function during 2021/22
- Our statutory governance roles
- Review of actions 2021/22
- Actions for 2022/23
- Outline of our governance

Overview

3. The Council has reviewed its overall effectiveness both in general and with regard to the COVID-19 pandemic challenges faced and those which it continues to face during recovery.

Generally:

4. Three of the action points for 2021/22 were completed as outlined in Annex 1, with a fourth action relating to the Constitution Review being extended to 31 July 2022, as agreed by the Accounts, Audit & Risk Committee. Specific action points for 2022/23 are set out in Annex 2.
5. The decision to terminate the S113 partnership agreement will be a main focus for the Council. The Joint Officer Transition Working Group will oversee the decoupling project to ensure a smooth transition for each authority. The District and County Council have agreed to a 6-month termination period, concluding on 31 August 2022.
6. Here are some ways in which our governance has proved effective during 2021/22
 - ❖ A return to face-to-face meetings following the relaxation of Covid restrictions, with a hybrid option, that allowed for the continuation of democratic decision making virtually, via MS Teams, but also enabled in person debate and voting.
 - ❖ Actions within last year's governance statement were tracked to completion with the exception of one where an extension was agreed.

During COVID-19

7. Having acted swiftly during the initial outbreak of COVID to meet the demands of the pandemic, the Council continued to do so throughout 2021/22. As with the previous year the Council remains confident that it has been able to do so without compromising good governance and democratic accountability. The Council's reaction benefited from:

- Clear leadership structure
- Dedicated Gold and Silver Command structures
- Partnership working with Oxfordshire County Council
- COVID-19 risk assessments for our services
- Flexible and reactive approach.
- Regular engagement with the administration and Political Group Leaders so as to aid transparency of actions being taken
- Regular and timely communications with councillors, staff and stakeholders
- Continuation of political decision-making with Executive, Council and Committees meeting virtually by MS Teams and then reverting to physical meetings in May 2021.

Impact

8. Lockdown and social distancing rules necessitated **democratic decision-making** be moved to a virtual setting until 6 May 2021. The Council was able to facilitate online decision-making through MS Teams. This also allowed members of the public to take part in virtual meetings e.g. for questions and the presentation of petitions. A **revised Constitution and protocol** ensured the application of the Constitution's key principles of openness, transparency and accountability. The councillor constituency voice was also maintained through the designation of a specific email address for councillors to raise COVID-19 related issues on behalf of their communities.
9. As restrictions were lifted, the Council returned to face-to-face meetings. These meetings have been operated to maintain transparency and accountability whilst minimising the risks associated with COVID in 2021/22. The provisions for wholly virtual meetings fell away from 6 May 2021 and so democratic meetings were required to be held in person. The Council achieved this by managing meeting rooms to maintain social distancing and introducing other hygiene measures. The provision of 'hybrid' meetings meant that officers, councillors, and members of the public could contribute remotely as well as in the room. On a very small number of occasions, the Council operated 'quorum-only' voting where the majority of members participated remotely and were represented in votes by those present.
10. The prolonged impact of COVID-19 required sustained business continuity activity to ensure the delivery of services in a largely uninterrupted fashion. Cherwell District Council's Human Resources and ICT Teams have continued, throughout 2021/22, to facilitate working from home whilst also assisting staff and Managers with the move to hybrid working and the return of some staff to Council offices.
11. Financial management practices have had to adapt to the prolonged impact of COVID on financial management. A Financial Cell was established as part of the COVID response strategy to support related decision making.
12. Clearly some services, were required to implement additional COVID-19 specific processes which will have impacted on normal business for those services, such as the Revenues and Benefits team (at CSN Resources until 4 November 2021) and Finance. From 5 November 2021 the Council has operated its own internal Revenues and Benefits service. The Council had to

respond quickly and implement new processes in response to the government's requirement to provide COVID-19 grants to qualifying local businesses. The Council also had to introduce discretionary schemes and the associated checks and balances to ensure grants were paid to appropriate qualifying businesses in need of support.

Command structure

13. The Council's **Gold and Silver Command** were put into place and worked well during the initial outbreak. The Command structures enabled the Council to keep visibility of services and how best to prioritise actions e.g. community and voluntary sector co-ordination, the supply of personal protective equipment; the flow of communications to support for businesses; and business continuity. Plugging this into the wider **regional structures** (e.g. **Thames Valley Local Resilience Forum**) ensured the flow of essential information and experience. Regular Gold sessions for Oxfordshire's Chief Executives and Leaders were also an integral part of the command structure in co-ordinating our response. Annex 3 is a one-page illustration of the Command structure and how it fits within its local and regional setting.

Beyond COVID-19

14. The Council's reaction to the pandemic has **fast-tracked the development** of key governance issues and has continued to do so throughout 2021/22. This has been through the safe and reactive deployment of technology (to enable almost seamless homeworking and virtual meetings); business continuity awareness and practices; working without silos, service-planning becoming more aware of the cross-cutting interplay of services; reviewing the portfolio of property; enhanced focus on security, wellbeing and health and safety, with the whole pandemic management being undertaken jointly through the Gold and Silver command structures.

15. The resource implications of the pandemic posed a challenge for the local government sector. The Council's governance experience of COVID-19, shaped future planning as it managed the delivery of quality services and democracy under COVID-19 conditions:

- Use of buildings and remote working
- Business continuity, risk assessment and project planning
- Fluidity and accountability of decision making
- Smart use of technology and digital engagement and solutions
- Financial management

16. The Council approved a robust recovery strategy – "**Restart Recover Renew**". It recognised the opportunity to learn from its experience and to transform its services for the better as it moved along the Roadmap.

Partnership Decoupling

17. In February 2022, Cherwell District Council and Oxfordshire County Council agreed to the required six months' notice for the termination of the s113

agreement dated 31 August 2018, governing joint working between the two councils.

18. In order to ensure appropriate separation of decision making and to fully serve the interests of each council through the termination process, the councils also agreed to separate the statutory roles of Head of Paid Service (Chief Executive), Monitoring Officer and s151 Officer, with immediate effect. As such, for each of these roles, each council has either made an interim appointment or the substantive post holder has returned to serving only their employing authority.
19. In the decision agreeing to terminate the agreement, both councils agreed an ongoing role of the Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement.
20. A Joint Officer Transition Working Group has been established and a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making.
21. Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements.
22. Full details of the termination are set out in Council Papers for 7 and 8 February 2022 for Cherwell District Council and Oxfordshire County Council respectively and progress on the ongoing programme of work to terminate the agreement is reported monthly meetings of the JSSP.

Internal Audit in 2021/22

23. The 2019 CIPFA Statement on the “Role of the Head of Internal Audit in public service organisations” outlines the principles that define the core activities and behaviours that belong to the role of the ‘Head of Internal Audit’ and the governance requirements needed to support them. The Council’s arrangements conform with the governance requirements of the CIPFA statement as our Chief Internal Auditor as follows:
 - objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
 - championing best practice in governance and commenting on responses to emerging risks and proposed developments.
 - be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee
 - lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively
 - be professionally qualified and suitably experienced.
24. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The self-assessment against the standards is completed on an annual basis. It is a requirement of the PSIAS for an

external assessment of internal audit to be completed at least every five years. This is next due in 2022.

25. The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2022, there is **satisfactory** assurance regarding Cherwell District Council's overall control environment and the arrangements for governance, risk management and control. Where weaknesses have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement.
26. Where Internal Audit identifies areas for improvement, management action plans are in place and are routinely monitored by the Internal Audit team and reported to the Accounts, Audit & Risk Committee. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

Financial Management Code

27. A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Inevitably, the impact of COVID-19 has continued to test that financial resilience in 2021/22 and will do so in coming years. Since April 2021 authorities have been expected to work towards full compliance of the FM Code. There are clear links between the Financial Management Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As such, Annex 5 sets out the outcomes of the initial assessment of compliance with the Code. As you will see, the picture is positive, with the RAG (Red-Amber-Green) rating of compliance showing as Green for all of the 19 standards. A column showing 'Further Work' gives an indication of improvements that can be made over the current year.

Our statutory governance roles

28. The Council is required to appoint to three specific posts, each of which oversees a key aspect of the Council's governance:
- **Head of the Paid Service** (HOPS) role – which is the Council's Chief Executive, Yvonne Rees: how the Council's functions are delivered, the appointment and proper management of staff
 - **Monitoring Officer** – For most of 2021/22 this was Anita Bradley, Director of Law and Governance: responsible for the Council's Constitution, the lawfulness and integrity of its decision-making and the quality of its ethical governance. On 9 February 2022 Shahin Ismail, was appointed as Interim Monitoring Officer for Cherwell District Council, and as of 1 April 2022, the role of Interim Director of Law & Governance passed to her also as part of the Oxfordshire/Cherwell partnership decoupling process.
 - **'Section 151 Officer'** – the Chief Finance Officer, was Lorna Baxter until 8 February 2022: responsible for the financial management of the authority.

From 9 February 2022, this role passed to Michael Furness, Assistant Director for Finance.

29. Each of the postholders is an integral member of the Council's corporate leadership team (CLT). As such, they are fully sighted on all of the Council's objectives, workstreams and emerging plans; and their perspectives and voices continue to be heard in, and to influence, this senior forum.
30. The Chief Finance Officer and the Monitoring Officer both have open access to the Chief Executive at all times. They carry a statutory responsibility to report issues to Full Council, if needed. As such, the posts remain pivotal to the Council's good governance.

Governance Actions – Review of 2021/22 and priorities for 2022/23

31. The following two annexes summarise:

Annex 1: updates on the priority actions for 2021/22

Annex 2: actions identified for 2022/23

32. The Actions for 2021/22 in Annex 1 highlight certain aspects of emerging governance that might not otherwise be apparent from work regularly reported to the Council's Accounts, Audit & Risk Committee. As such, progress reports on these actions are reported to the Committee through the year. The Actions for 2022/23 in Annex 2 will be monitored by the Corporate Governance Assurance Group, or any successor governance framework following the conclusion of the decoupling project, and the Accounts, Audit and Risk Committee.
33. Other governance and audit activity across the Council will continue to be reported to [Accounts, Audit and Risk Committee](#) through its normal work programmes

Governance in Outline

34. Annex 4 sets out the Council's governance framework in outline. This was updated in March 2022, following a review by the Corporate Governance Assurance Group and Extended Leadership Team (ELT).

ANNEX 1 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2021/22 - Update

35. This is a review of the progress during 2020/21 on the priorities for that year. The actions identified were completed in-year

Actions that were planned for 2021/22	Original Timescale	Outcome
<p>To develop an OCC/CDC Procurement Strategy and OCC/CDC Social Value Policy with CEDR fully sighted on both documents. Ensure all staff are fully briefed and trained on the content and their respective obligations.</p> <ul style="list-style-type: none"> The new Provision Cycle Hub and Spoke functional model will fully define contract management accountability across the Councils. To help fulfil this accountability the council will enhance its contract management systems and processes and provide a training programme to support contract management skills improvement. <p>The electronic Contract and Supplier Management System (eCMS) functionality has been enhanced and will continue to be reviewed as part of the Provision Cycle transformation programme.</p>	<p>A new joint procurement strategy will be presented to CEDR by end July 2021.</p> <p>The new Social Value Policy, including Climate Change elements, will be presented to CEDR by July 2021. It will be implemented as appropriate across all tenders from July 2021.</p> <p>All contracts will be stored in the eCMS to demonstrate a complete Forward Plan in terms of current active contracts</p>	<p>A Social Value Policy has been drafted and was reviewed at a meeting of the Chief Executive's Direct Reports (CEDR, now the Corporate Leadership Team, CLT), the Council's senior management team. The policy was signed off by the Executive Board and adopted on 7 February 2022.</p> <p>This will apply to all tenders above a certain threshold value across Cherwell District Council (CDC) and will involve the use of the third-party supplier Social Value Portal, who have provided this service for many other Councils across the UK. There is a degree of flexibility to ensure that the selected topics for Social Value are relevant to that particular tender and will include elements relating to Carbon Net Zero: for example, reductions in carbon emissions and air pollution, ensuring that the</p>

Actions that were planned for 2021/22	Original Timescale	Outcome
<ul style="list-style-type: none"> This will include an improvement plan with the expectation to develop and implement improvements that will provide management and controls across the full cycle of Commissioning, Procurement and Contract Management. This will enable a consistent, council-wide approach enabling 100% visibility of requirements throughout the provision cycle, ensuring all contracts are effectively managed. 	<p>and renewal timescales. It will be a live document driving procurement engagement across all service areas.</p>	<p>natural environment is safeguarded, and that resource efficiency and circular economy solutions are promoted.</p> <p>The procurement strategy is in draft format, and will be presented to CLT in due course, once the Social Value Strategy has been approved.</p> <p>The Atamis system continues to act as the central document repository for Procurement. All tenders, contracts, and extensions are stored within it, enabling a Forward Plan to be created to identify which contracts will be up for renewal at what point. A detailed update was presented to Committee 19 January 2022.</p>
<p>Review of post-COVID governance arrangements:</p> <ul style="list-style-type: none"> The Corporate Governance Assurance Group will continue to monitor, support and engage with Corporate Lead areas so as to ensure that they are able to continue with effective governance arrangements. The Corporate Governance Assurance Group will continue to review the Council's governance, including its internal controls, policies and transparency arrangements. 	<p>Ongoing throughout 2021/2022</p> <p>Monthly review by Corporate Governance Assurance Group</p> <p>Paper to ELT and CEDR in Q.2 and each Quarter thereafter to update on progress</p> <p>Local Code of Corporate Governance reviewed by ELT in Q2 for consideration by Accounts, Audit</p>	<p>The Council's Corporate Governance Assurance Group has continued to meet monthly to oversee governance developments. The Group consists of the Monitoring Officer together with key governance officers including the Chief Internal Auditor, Assistant Finance Directors, Deputy Monitoring Officer, the Head of Insight and Corporate Programmes supported by the Council's governance officers.</p> <p>An emphasis has been on closer working with CLT and the Extended Leadership Team (ELT), that is, CLT plus their direct senior manager reports, particularly in the development of a</p>

Actions that were planned for 2021/22	Original Timescale	Outcome
	<p>and Risk Committee in September or November.</p> <p>Report to Accounts, Audit and Risk Committee at September, November, January and March meetings on emerging governance issues post-COVID.</p>	<p>revised Local Code of Corporate Governance. A report on the purpose of the Code was taken to ELT in the summer. In the meantime, a Local Code of Corporate Governance has been drafted with the oversight of CGAG and with input from ELT representatives. CLT have reviewed the Code ahead of Committee being invited to comment on the draft on 25 May 2022.</p> <p>Unlike the Annual Governance Statement, there is no statutory requirement for a Local Code of Corporate Governance. Rather, the Code complements and underpins the Annual Governance Statement by demonstrating, with evidence, how the Council meets the good governance principles set out in the Good Governance Framework published by the Chartered Institute of Finance and Accountancy.</p> <p>CGAG has worked with ELT, and then with CLT, to bring forward a draft Annual Governance Statement for 2021/22, which will then be brought to Committee on 25 May 2022.</p> <p>The Council has also overseen the return to physical settings of the formal democratic decision-making meetings of the Council, fully compliant with public health advice. This has been achieved while</p>

Actions that were planned for 2021/22	Original Timescale	Outcome
		<p>also retaining the virtual engagement from the public as well as webcasting of meetings, with the option for the public to attend in person.</p> <p>Additionally, the Council has taken steps to commence a Constitution Review as noted below.</p>
<p>Constitution Review Undertake an Annual Review of the Constitution, as agreed by Council in 2020, to take place during the Autumn</p>	<p>The Overview and Scrutiny Committee to agree the scope and means of a achieving the Annual Review of the Constitution (October 2021).</p> <p>Review to take place October-November</p> <p>The Scrutiny Committee (Nov 2021) to make recommendations for any substantive change to Council (December 2021).</p>	<p>The Constitution Working Group advised Committee that the timescale in which to produce an updated Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022.</p> <p>Committee agreed to extend the deadline for the review until July 2022.</p> <p>Update to be provided to Committee in due course.</p>
<p>Financial Management Implement budget monitoring that considers balance sheet items including reserves and outstanding debt</p>	<p>Begin monitoring of balance sheet items in Period 2 of 2021/22.</p> <p>As the closedown process finishes enhance the process throughout the year.</p>	<p>The Council has introduced monthly monitoring of its reserves with changes in the budgeted use of earmarked reserves and/or general balances requiring approval by the Executive. This offers the Council far greater understanding of its reserves position and the affordability of agreeing to the additional use of reserves.</p>

Actions that were planned for 2021/22	Original Timescale	Outcome
		<p>Additionally, the Council has begun to monitor its aged debt position on a quarterly basis. This allows the Council to understand whether it is collecting the debt it is raised on a timely basis. The introduction of this monitoring has resulted in a review of the aged debt the Council holds to identify how collectible the debt is.</p>

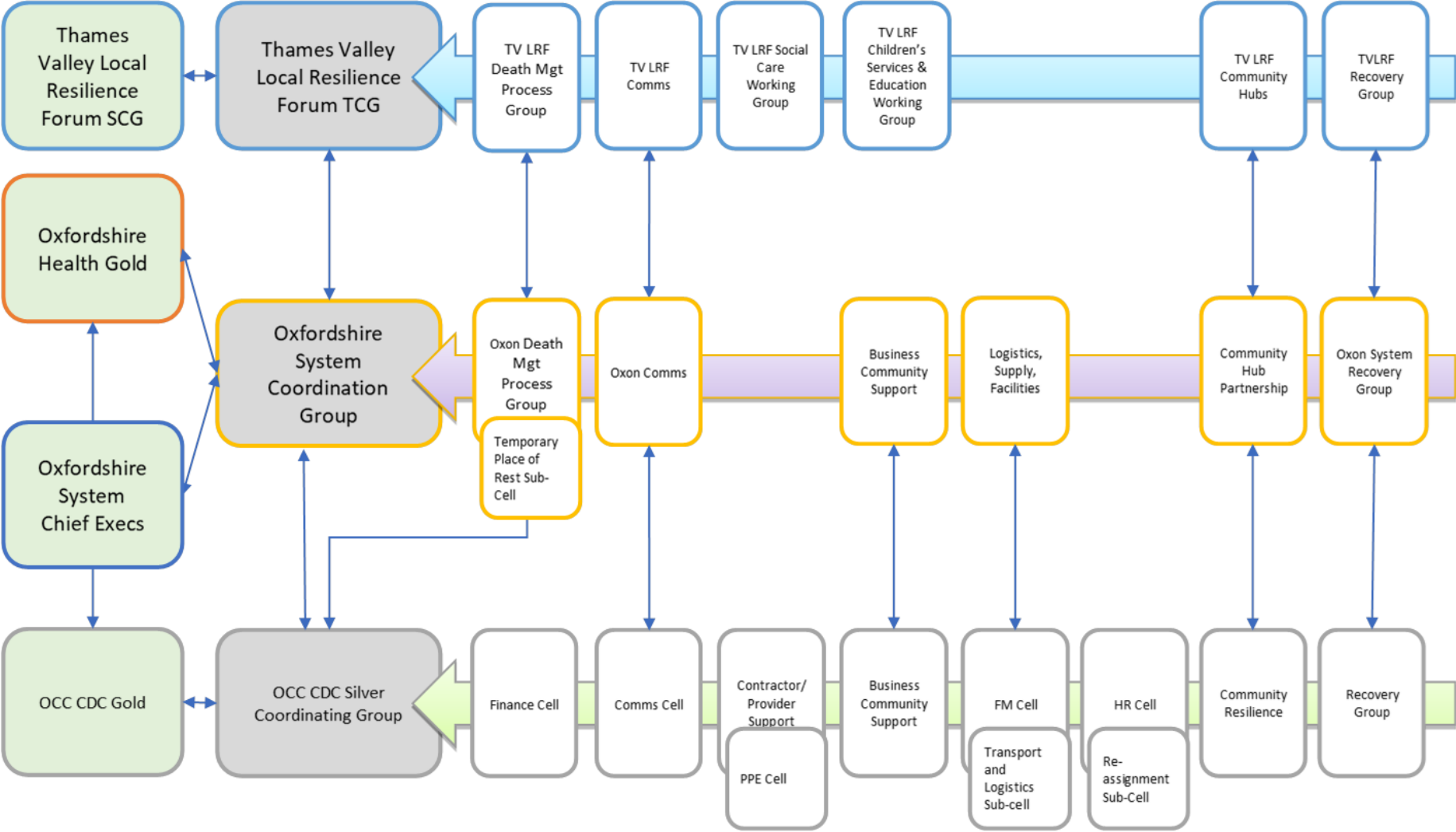
ANNEX 2 - SIGNIFICANT GOVERNANCE ISSUES

Actions identified for 2022/23

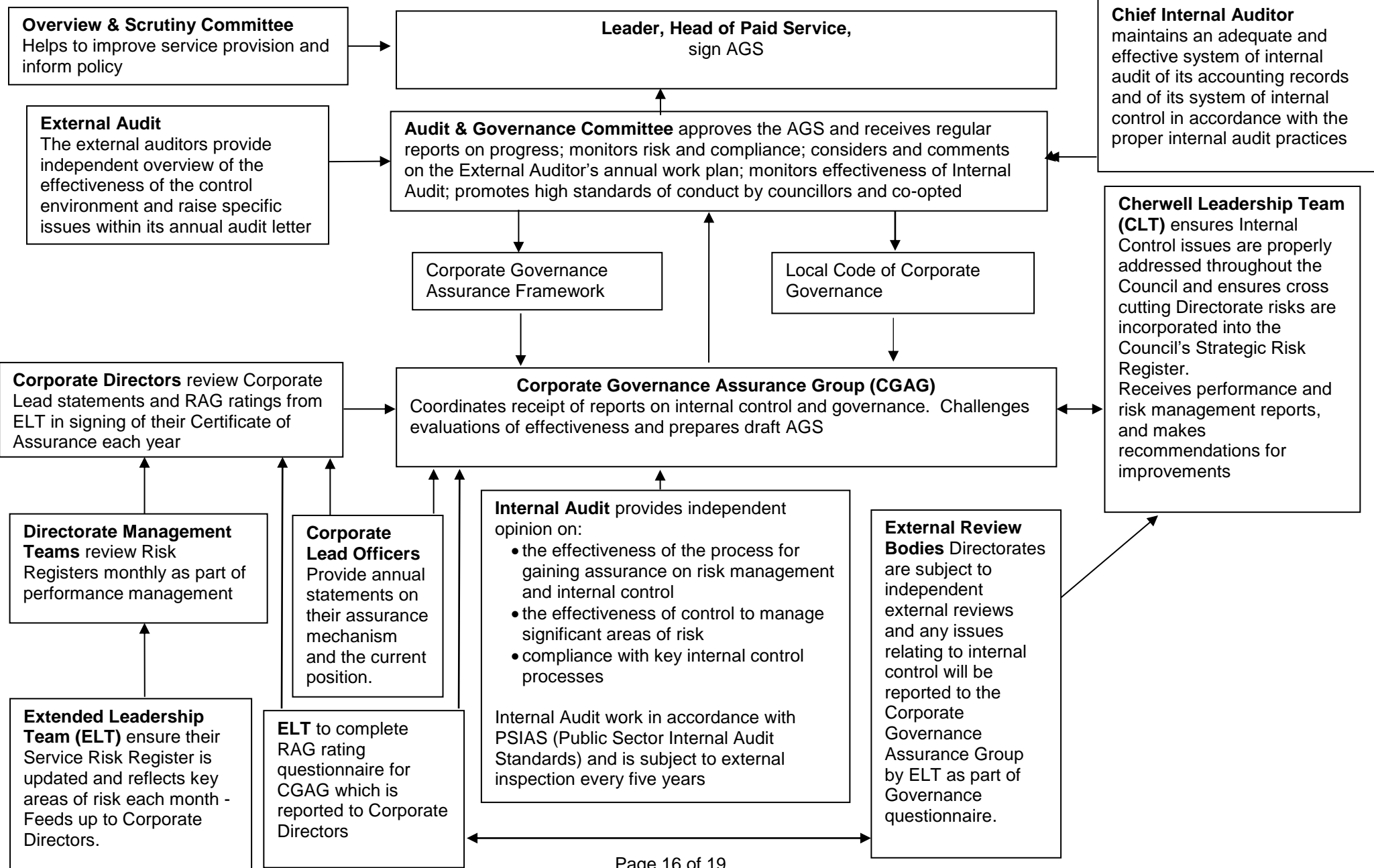
	Action now planned for 2022/23	Timescale for Completion	Responsible Officer	Monitoring Body
1	<p>Cherwell-Oxfordshire Decoupling Programme</p> <ul style="list-style-type: none"> • Joint Shared Services and Personnel Committee (JSSP) with revised terms of reference, to provide suitable oversight and decision-taking concerning the termination of the agreement. • A Joint Officer Transition Working Group will oversee a programme of due diligence and service reviews is underway, with the aim of keeping the best interests of residents at the centre of decision making. • Where appropriate for each council, revised partnership arrangements will remain in-place within the framework of new agreements. 	31 August 2022	Nathan Elvery, Interim Corporate Director, Communities and Chief Operating Officer	Corporate Leadership Team (CLT) and Accounts, Audit and Risk Committee (AARC)

2	<p>Schemes of Delegation</p> <ul style="list-style-type: none"> • The Council has implicit schemes of delegation (authorisation limits) within its Unit 4 financial system. However, these schemes of delegation are not formally codified within the constitution or delegated down from Corporate Directors to specific grades of officer. • It is acknowledged that the monitoring officer will need to carry out a review of the schemes of delegation as part of the Constitution Review. This will be addressed as part of the constitutional work required on de-coupling its arrangements with Oxfordshire County Council 	November 2022	Shahin Ismail, Interim Monitoring Officer, and Michael Furness, Assistant Director of Finance	AARC
3	<p>Constitution Review</p> <ul style="list-style-type: none"> • The Constitution Working Group advised Committee that the timescale in which to produce an updated Constitution that is fit for purpose and understandable would not be achievable within the initial anticipated timescale of 31 March 2022. • Committee agreed to extend the deadline for the review until July 2022. • Update to be provided to Committee in due course. 	31 July 2022	Shahin Ismail, Interim Monitoring Officer	AARC

Annex 3 – COVID-19 Command and Control Structure



Overview of Corporate Governance Assurance Framework



Annex 5 – Summary Financial Management Code Assessment

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
1. Responsibilities of the CFO and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	All services reviewed to ensure being delivered efficiently and appropriate savings identified. All tenders consider VfM by considering the quality of service and not just price.	Develop a statement of how proposals in Executive Reports will deliver value for money where appropriate	
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of CEDR (Chief Executive Direct Reports) and has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.	Set out clear statement of roles and responsibilities of CFO, CEDR and the Exec.	
2. Governance and Financial Management Style				
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Governance and Assurance Group (CGAG) exists to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.	CGAG to continue to establish itself and enhance its workload including driving consistency across the partnership between the County Council and CDC.	
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement includes audit opinion on effectiveness of internal control environment and systems of internal control.	Continue to enhance and develop the AGS through CGAG.	
E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and	Continue to develop the skills of managers to ensure that they have access to performance and financial information that enables them to deliver services that are financially sustainable.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		provides the budget setting and accounting framework for the organisation.		
3. Long to Medium-Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	A Financial Resilience assessment is included within the Budget Documents. The assessment is consistent with the Medium-Term Financial Strategy (MTFS) assumptions.		
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	MTFS far more transparent than in previous years clearly outlining the financial challenges facing CDC in the Budget and Business Planning Process 2021/22 – 2025/26 Report	Continue to update CEDR and the Executive throughout year and within Budget/MTFS documents	
H	The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”	Capital Strategy is produced. Quarterly Treasury Management monitoring considered at the Accounts, Audit and Risk Committee.	Develop a profiled five-year capital programme. Provide quarterly TM and Prudential Indicator updates as part of monitoring reports.	
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	CDC has an Integrated Business Planning and Budget Process with a five-year MTFS.	Ensure services aware of future savings plans committed to and savings are implemented.	
4. The Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces its annual balanced budget and supporting documentation.		
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	S25 report accompanies the suite of Budget documents. Enhanced by including an assessment of readiness for implementing the FM Code		
5. Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Significant consultation on the budget proposals as well as ensuring carry out the statutory business rate payers’ consultation.	Continue with corporate and directorate consultation where appropriate.	
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits	Agree consistent business case templates from outline through to full across the partnership between	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented.	the County Council and CDC for both revenue and capital schemes.	
6. Monitoring Financial Performance				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The monthly Performance, Risk and Financial Monitoring Report to Executive enables CEDR and Executive to respond to emerging risks – the effectiveness was evidenced during 2020/21 as the Council agreed an in-year budget to respond to the financial impact of COVID-19.	The Capital Programme monitoring element requires enhancement to: <ul style="list-style-type: none"> • better reflect performance and the delivery of outcomes linked to the completion of capital schemes. • Explain differences in in-year slippage and total cost variances 	
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	Reserves and balances are monitored monthly and changes in budgeted use require appropriate approvals before they can be assumed. Debtor monitoring takes place quarterly identifying aged debt of Council debt.	Review aged debt to consider the collectability of this.	
7. External Financial Reporting				
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom”	The annual accounts are produced in compliance with the CIPFA Code.		
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	CEDR and Executive consider outturn report and year end variances enabling strategic financial decisions to be made as necessary.		