

ANNUAL STATEMENT OF ACCOUNTS 2025/26

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1. Scope of Responsibility

- 1.1 Gedling Borough 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; and that arrangements are in place to secure continuous improvement in the way its functions are exercised, having regard to economy, efficiency and effectiveness as required by the Local Government Act 1999.
- 1.2 The Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, supporting transparent and accountable decision-making, maintaining sound financial management and ensuring effective arrangements for risk management, internal control, audit and assurance.
- 1.3 The Council has approved and adopted a Local Code of Corporate Governance which is consistent with the principles set out in the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* and the May 2025 CIPFA/SOLACE addendum covering the annual review of governance and preparation of the Annual Governance Statement. This statement explains how the Council has complied with its Local Code and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015, which requires relevant authorities to conduct an annual review of the effectiveness of their system of internal control and prepare an Annual Governance Statement. The Local Code of Corporate Governance is reviewed annually and approved by Audit Committee.

2. Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems, processes, culture, values and behaviours by which the Council is directed and controlled, through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of strategic objectives, consider whether services are being delivered in a cost-effective and sustainable way, and demonstrate accountability to residents, members, partners, regulators and other stakeholders.
- 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 therefore provides reasonable, rather than absolute, assurance of effectiveness. It is based on an ongoing process to identify and prioritise

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risks, evaluate their likelihood and impact, and manage them in a way that supports lawful, transparent, ethical and financially sustainable delivery.

- 2.3 The governance framework has been in place for the year ended 31 March 2026 and up to the date of approval of the Statement of Accounts. The Council recognises that good governance is dynamic and must respond to changes in legislation, statutory guidance, financial sustainability, service demand, workforce capacity, digital and cyber risk, procurement reform, public expectations and the wider local government assurance environment.

3. The Governance Framework

- 3.1 The Council's Local Code of Corporate Governance is based on the seven core principles of good governance identified in the CIPFA/SOLACE Framework and reinforced by the 2025 addendum. These principles require the Council to demonstrate that it has arrangements in place to secure ethical leadership, stakeholder engagement, sustainable outcomes, effective interventions, organisational capability, robust risk and financial management, transparency, reporting and accountability. The seven principles are:

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

- 3.2 Good governance is a dynamic process and the Council is committed to continuous evaluation and improvement. In line with the 2025 CIPFA/SOLACE addendum, the annual governance review has considered whether the Council's governance arrangements are fit for purpose, whether they operated effectively during 2025/26, whether significant governance issues have been identified, and what further improvements are needed to meet future organisational and community needs. The Audit Committee

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considered the Local Code of Corporate Governance review at its meeting in February 2026. The Code had been reviewed by Senior Leadership team and Assistant Directors who also considered the Committee on Standards in Public Life recommendations for “Building Accountable Organisations” and identified any gaps. The Monitoring Officer also undertook a self-assessment of governance arrangements using the Local Government Association’s Improvement and Assurance Framework to identify any further governance improvements required. Any areas identified for improvement were incorporated into planned governance work for 2026/27. The review identified a number of governance improvements commencing or completed in 2025/26 as listed below:

- The creation of a new Corporate Legacy Plan for 2026-2028
- Review of the Risk Management Strategy and approach to risk management
- Updates to the Contract and procurement rules, and a review and change to the procurement function.
- Changes to performance reporting using new systems
- Approval of a Social Value Policy
- Approval of a new Corporate Consultation Policy
- New Website
- New Waste Management Software system
- New Customer Relationship Management System
- New Artificial Intelligence Policy
- New Identification and Verification Policy
- Review of Business Continuity Plans and Arrangements
- Review of Whistleblowing Policy
- Changes to Performance Management through the introduction of 1:1s
- New Succession Planning assessments
- Changes to a number of staffing policies including Absence Management, DBS checks and Sexual harassment
- Roll out of new Equality, Diversity and Inclusion Training
- Development of an Asset Management Plan and Strategy
- Condition Surveys across assets
- Development of a framework of policies in relation to temporary Accommodation
- Migration of the Council’s finance system
- A number of consultations launched including in respect of the Local Plan Development and Leisure Strategy.

4. Governance Arrangements

- 4.1 The Council maintains a governance assurance framework through which it satisfies itself as to the effectiveness of its governance, risk management and internal control arrangements. The framework is aligned to the Council’s statutory responsibilities, Corporate Plan priorities, financial strategy, risk registers, performance management

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arrangements, internal audit programme, external audit findings, statutory officer assurances and management assurance statements.

- 4.2 The framework draws on a range of assurance sources, including first-line management controls, second-line corporate oversight and compliance activity, and third-line independent assurance from Internal Audit, External Audit and other review bodies. This approach is consistent with recognised good practice and supports a balanced assessment of whether governance arrangements operated effectively during the year.
- 4.3 The Council's governance arrangements are supported by a range of strategic documents, policies and frameworks, including:
- The Corporate Plan and Annual Plan;
 - The Local Plan;
 - The Annual Budget and Performance Management Framework;
 - The Financial Strategy;
 - The Treasury Management Strategy;
 - The Internal Audit Strategy;
 - The Risk Management Strategy;
 - The Equality and Diversity and Inclusion Policy;
 - The Counter Fraud and Corruption Strategy;
 - The Procurement Strategy and arrangements for compliance with the Procurement Act 2023;
 - Business Continuity, Emergency Planning and Cyber Security arrangements; and
 - The Constitution, Codes of Conduct, Scheme of Delegation and Member/Officer protocols.
- 4.4 These strategic documents are supported by plans, operational procedures and decision-making arrangements. The Constitution sets out how the Council operates, how decisions are made, the responsibilities of members and officers, and the procedures that support lawful, transparent, inclusive and accountable governance. The Council's publication scheme and website provide public access to key governance documents and information.
- 4.5 The Council's governance framework defines the roles and responsibilities of Council, Cabinet, Overview and Scrutiny, Audit Committee, Standards arrangements, statutory officers, Senior Leadership Team and service management. It supports effective challenge, transparent decision-making, management of conflicts of interest, compliance with legislation and clear accountability for delivery of corporate priorities.

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- 4.6 The Council acknowledges its responsibility to maintain an effective system of internal control over its resources, operations and decision-making. The system is designed to provide reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded, risks are managed, performance is monitored and material errors, irregularities or governance weaknesses are prevented or detected in a timely manner.
- 4.7 The internal control system includes:
- Annual review of the effectiveness of the Council's Corporate Governance Framework, including signed Assurance Statements from Directors and Assistant Directors;
 - An established Counter Fraud and Corruption Strategy, including whistleblowing procedures, communicated to Members, officers and the public, and are available on the Council's website;
 - An established Audit Committee that undertakes the core functions as identified in CIPFA guidance;
 - The Terms of Reference for the Audit Committee which include specific responsibility for reviewing risk management procedures, including the reporting arrangements on strategic risks via a corporate risk scorecard;
 - A Risk Management Strategy that is led by Senior Management for the identification and evaluation of strategic and operational risks, and integrated with the work of Internal Audit to provide a holistic source of assurance aligned to corporate objectives;
 - A comprehensive risk management process that includes the identification of both strategic and operational risks which are held and maintained on corporate and directorate Risk Registers, and subject to regular review and supported by a Corporate Risk Board in 2025/26 which is an officer board established to support the effective review and management of risk;
 - Internal audit reviews are carried out using a risk-based audit approach with the emphasis on key financial systems. This work is undertaken in co-operation with the Council's External Auditor ensuring maximum use of Audit resources, and ensures that professional standards are maintained;
 - Performance Plan monitoring, review and reporting supported by a Budget and Performance Board which is an officer board formed to ensure performance aligns with budget;

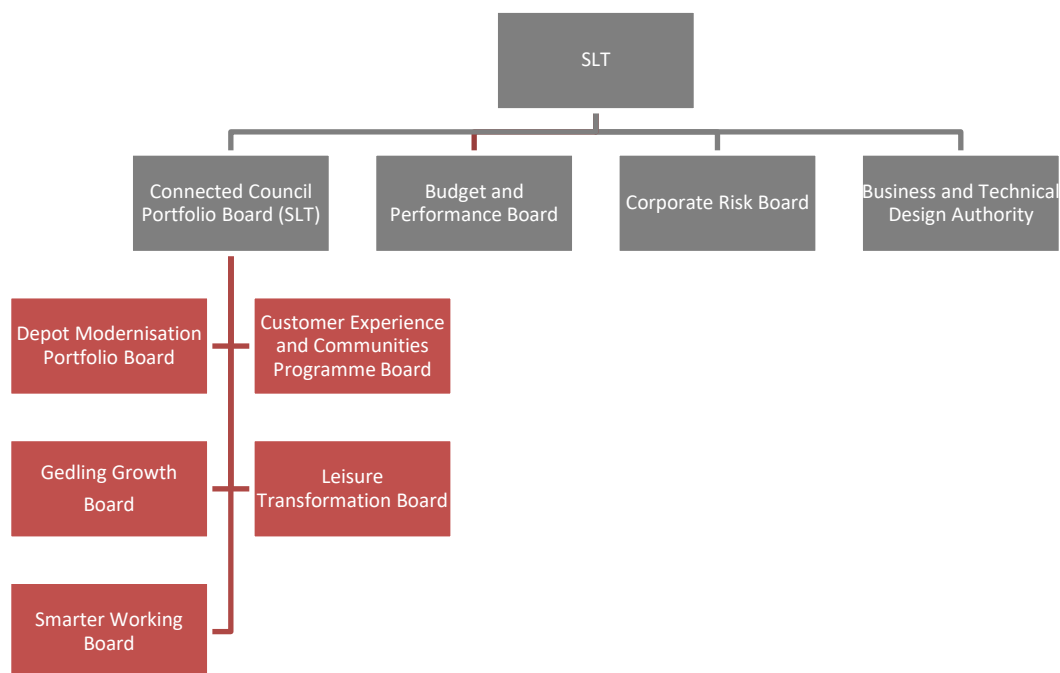
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- Facilitation of policy and decision making through the Constitution, Codes of Conduct and the decision-making process, Forward Plan and role of the Scrutiny Committee;
- The statutory roles of the Council's Head of Paid Service, Monitoring Officer and Chief Financial Officer place a duty on these post-holders to provide robust assurance on governance and ensure compliance with established policies, procedures, laws and regulations;
- Compliance with established policies, procedures, laws and regulations are monitored through the work of the Finance and Legal staff that are adequately trained and experienced;
- Budgetary and performance management reporting to management, Cabinet and Council;
- Formal project management guidelines and Project Boards to ensure effective management of projects aligned to the Council's key priorities;
- Business continuity planning processes;
- Adherence to good employment practices;
- Governance training has been provided to all key officers and Members, including induction training, and arrangements are in place for the ongoing continuation of that training.
- The internal governance structure for 2025/26 is shown below reflecting the enhanced oversight across the Council's operational and strategic functions.

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5. Financial Management

- 5.1 Ensuring that an effective system of internal financial control is maintained and operated is the responsibility of the Chief Finance Officer, as the officer designated under section 151 of the Local Government Act 1972. The Chief Finance Officer has a key leadership role in promoting sound financial management, financial sustainability, stewardship of public funds and compliance with the CIPFA Financial Management Code.
- 5.2 Internal financial control is based on a framework of Financial Regulations, Contract Procedure Rules, procurement governance, budget monitoring, management information, segregation of duties, reconciliation processes, authorisation controls, management supervision and clear delegation and accountability.
- 5.3 The Council has produced comprehensive procedure notes/manuals for all key financial systems, and these are regularly reviewed. The controls created by management are evaluated to ensure:
- Council objectives are being achieved;
 - The economic and efficient use of resources;
 - Compliance with policies, procedures, laws, rules and regulations;
 - The safeguarding of Council assets;
 - The integrity and reliability of information and data.

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5.4 The Council has considered the principles of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and the requirements of the CIPFA Financial Management Code. The Council can demonstrate that the Chief Finance Officer:

- is a member of the Senior Leadership Team and plays a key role in helping it to develop and implement strategy to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and there is alignment with the Council's overall financial strategy;
- leads the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
- leads and directs the finance function, which is resourced to be fit for purpose;
- is professionally qualified and suitably experienced.

5.5 Internal Audit provides independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control. The Council has considered the role of the Head of Internal Audit and the requirement for internal audit to operate in accordance with relevant public sector internal audit standards and professional requirements.

- Objectively assesses 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;
- champions best practice in governance and comments on responses to emerging risks and proposed developments;
- is Gurpreet Dulay, a Partner of BDO UK, and he (or his BDO representatives) have regular and open engagement across Gedling Borough Council, particularly with the Leadership Team and with the Audit Committee;
- leads and directs an internal audit service that is resourced appropriately, sufficiently and effectively;
- is professionally qualified and suitably experienced.

6. Review of Effectiveness

6.1 The Council has undertaken an annual review of the effectiveness of its governance framework, including the system of internal control. The

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review has been informed by management assurance statements, statutory officer input, Internal Audit's annual opinion, External Audit findings, risk and performance reporting, Audit Committee oversight, policy and compliance reviews, and other relevant assurance sources.

- 6.2 The review has considered whether governance arrangements were operating effectively during 2025/26, whether they remain fit for purpose, whether any significant governance issues have arisen, and whether actions are required to strengthen governance in the year ahead. The Council is committed to maintaining arrangements which:

- Demonstrates openness, accountability and integrity;
- Monitors and reviews compliance with established policies, procedures, laws and regulations and effectiveness against agreed standards and targets;
- Monitors and reviews the effectiveness of the operation of controls that have been put in place;
- Identifies, profiles, controls and monitors all significant strategic and operational risks;
- Ensures that the risk management and control process is monitored for compliance.

6.3 Assurance From Executive Managers

In preparing this statement, Directors, Assistant Directors and service managers have provided assurance on the operation of governance, risk management and internal control arrangements within their areas of responsibility. All managers are required to complete and sign internal control assurance forms confirming that they are fulfilling their corporate responsibilities and that appropriate arrangements are in place within their services. These assurances cover key controls, compliance with Council policies and procedures, the effective and efficient use of resources, service delivery, risk management, financial stewardship, information governance and decision-making arrangements. Managers are also required to identify any areas where controls require improvement, where governance arrangements have not operated as intended, or where risks require escalation. This process provides an important source of first-line management assurance and supports the Council's overall assessment of the effectiveness of its governance framework.

6.4 Assurance from Internal and External Audit

The Council receives important independent assurance from Internal Audit and External Audit. These sources provide assurance on governance, risk management, internal control, financial sustainability,

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value for money and the effectiveness of arrangements for securing economy, efficiency and effectiveness in the use of resources.

External Auditor (Mazars) Value for Money arrangements:

The Code of Audit Practice issued by the National Audit Office requires External Audit to consider if the Council has proper arrangements for securing economy, efficiency and effectiveness in its use of resources, reporting by exception where they have identified significant weakness in those arrangements.

The external auditor is required to report under three specified criteria:

- Financial Sustainability – How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – How the Council ensures that it makes informed decisions and properly manages its risks;
- Improving economy efficiency and effectiveness – How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

For the year ended 31 March 2026, the Head of Internal Audit's Annual Report and Annual Opinion for 2025/26 concluded:

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's risk management, control and governance processes. Our opinion is as follows:

- Generally satisfactory with improvements required in some areas.

Overall, the controls in the areas we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements and value for money.

However, there are some areas where weaknesses and/or non-compliance were identified and, therefore, may put the achievement of objectives at risk. No audits received no assurance ratings although we would draw attention to the People Services review which was the only limited assurance audit this year. Although, due to the Council's transition and change of governance structure, this was a known area of concern and action has been taken to improve controls in this area. In other areas, we provided Substantial assurance over the design and/or effectiveness of controls. This demonstrates strength in key processes and compliance with these controls.

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We have continued to experience strong levels of engagement from management and more broadly across the Council with internal audit, with the Council demonstrating a positive culture for improvement in controls. This was noted throughout the year on individual assignments and more generally, particularly during the audit planning phase where we engaged with Senior Leadership Team Members and Assistant Directors to prepare our risk-based internal audit plan.

The Head of Internal Audit's Annual Report also details evidence of BDO's own compliance with the Public Sector Internal Audit Standards against which they are externally assessed every five years. This provides assurance that the internal audit provision is effective.

7. Significant Governance Issues and Improvement Actions 2025/26

7.1 The annual review has considered the effectiveness of governance arrangements during 2025/26 and whether any matters should be reported as significant governance issues. In making this assessment, the Council has considered the scale, impact, persistence and governance implications of each issue, including whether it affects statutory responsibilities, financial sustainability, service delivery, risk management, public accountability or confidence in the Council's arrangements.

7.2 Management Arrangements and Workforce Capacity

During 2025/26, the Council completed the implementation of its senior management restructure, including the recruitment of Assistant Directors. The revised structure is now embedded and provides clearer leadership capacity, strengthened accountability and improved alignment between strategic priorities, service delivery and operational management. Alongside the restructure, governance boards have been established to provide a more systematic approach to tracking and managing performance across the Council (see above for governance structure chart), supporting effective oversight of delivery, risk, resources and improvement activity. The new structure facilitates these arrangements by ensuring that issues can be considered at the right level, decisions are supported by appropriate senior leadership input, and progress against corporate priorities is monitored in a more consistent and joined-up way.

The Council will continue to monitor workforce capacity, prioritisation of corporate plan delivery, staff wellbeing and the effectiveness of revised governance structures to ensure that resources remain aligned to statutory duties, service demand and strategic objectives.

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7.3 Economic Growth / Cost of Living Crisis

During 2025/26, the Council continued to operate in a challenging and uncertain economic environment. Although inflationary pressures reduced from the exceptional levels experienced in previous years, inflation remained above the Bank of England's 2% target for much of the period and continued to affect pay, utilities, fuel, contractual commitments and the cost of commissioned services. Interest rates remained comparatively high, although they began to reduce during the year, with continued implications for treasury management, borrowing costs, investment income and wider economic confidence. These factors, alongside continuing cost of living pressures, increased demand for some services and support to vulnerable households, while also creating uncertainty around fees and charges income, council tax collection, business rate performance and local economic growth.

The Council has reflected these pressures in its budget monitoring, risk management and Medium Term Financial Plan assumptions. Financial sustainability will continue to require active monitoring, robust budget management, delivery of agreed efficiencies, review of income streams and reserves, and ongoing assessment of the impact of national economic conditions on local service demand and the Council's financial resilience.

The Council will continue to monitor these pressures through the Medium-Term Financial Plan, budget monitoring, risk management arrangements and delivery planning processes. Key risks include:

- Increased service demand and continuing cost of living pressures may affect service delivery, workforce capacity and the Council's ability to support vulnerable households.
 - Supply chain disruption, contractor capacity and market volatility may affect the cost, timing and delivery of services, capital schemes and commissioned activity.
 - Inflationary pressures, including pay, utilities, fuel and contract costs, may create budget pressures, while economic uncertainty may affect fees and charges income, council tax collection and business rates performance.
 - Local Government Reorganisation may create additional governance, financial planning, workforce, service continuity and programme management pressures during 2025/26 and beyond. The Council will need to maintain effective governance, risk management and decision-making arrangements while engaging with regional partners, assessing potential implications for services, assets, liabilities, staffing, systems and financial resilience, and ensuring that residents continue to receive effective services throughout any transition period.

7.4 The CIPFA Financial Management Code

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The Council has continued to assess its financial management arrangements against the principles and standards set out in the CIPFA Financial Management Code. The Code provides a framework for demonstrating that local authorities have effective arrangements in place to support financial sustainability, financial resilience, sound decision-making, accountability, value for money and the proper stewardship of public funds.

During 2025/26, the Council's arrangements continued to support compliance with the Code. Evidence includes the role of the Chief Finance Officer as a member of the Senior Leadership Team; established budget setting and budget monitoring arrangements; regular financial reporting to senior officers and members; maintenance of a Medium Term Financial Plan; review of reserves and balances; treasury management arrangements; financial procedure rules; internal financial controls; risk management arrangements; internal audit assurance; and consideration of financial implications within committee reports and decision-making processes.

The Council recognises that compliance with the Financial Management Code is an ongoing process, particularly in the context of continued financial uncertainty, inflationary pressures, increased service demand, workforce capacity issues and potential implications arising from Local Government Reorganisation. The Council will therefore continue to review its financial management arrangements, update its self-assessment where required, and monitor any improvement actions through its established financial governance arrangements. No material non-compliance with the Financial Management Code has been identified through the annual governance review. Areas for continued focus include maintaining a sustainable Medium Term Financial Plan, delivery of agreed efficiencies, strengthening financial resilience, reviewing fees and charges, monitoring reserves, and ensuring financial governance remains robust during any period of organisational change.

7.5 Fraudulent Activity

A sophisticated fraud which took place over a number of decades, conducted by an individual with key inside knowledge of the council's financial systems using sophisticated techniques was discovered in July 2022.

The financial impact of the fraudulent activity has been quantified as £934,343. During 2022/23, £327,750 was recovered from the Nottinghamshire Local Government Pension Scheme, leaving a balance of £606,593 which is currently being pursued through an insurance claim. At the time of writing this statement, the Council had received an offer from the insurance company which was under negotiation. The Council has undertaken a review of its Fraud Strategy in 2025/26 with the final framework to be submitted to cabinet in July 2026.

7.6 Contingent Liabilities and Contingent Assets

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The Council's contingent liability relates to the potential financial liability arising from Thurrock Council issuing legal proceedings against 23 council members of the Association for Public Service Excellence (APSE). Thurrock Council alleges that APSE provided negligent valuations of solar farm assets in which Thurrock invested. The claim is currently paused following an agreement between the parties to stay the proceedings, with the intention of allowing Thurrock Council to reach a final determination in a separate claim against the businessman who led the venture.

The Council also reports contingent assets in respect of the insurance claim relating to the fraudulent activity identified in July 2022. The truck cartel legal claim, which concerned potential damages and/or other relief in respect of loss suffered as a result of inflated pricing for medium and heavy trucks between 1997 and 2011, was agreed and finalised during 2025/26.

The fraud-related contingent asset relates to the remaining insurance claim for the unrecovered element of the quantified loss. The Council has received an initial offer of settlement from the insurance company, which is currently under negotiation. The Council will continue to monitor the remaining matter through legal, finance and risk management arrangements and will reflect any material changes in the Statement of Accounts and report to members as appropriate.

7.7 Action Plans

7.8 Review of Progress in 2025/26

The previous Annual Governance Statement identified a number of governance, control and risk matters for action. Progress against those actions is summarised below. Items highlighted require insertion of the final Gedling-specific progress update, evidence, completion status and any residual action required.

2025/26 AGS Actions:

- Sustainable Medium Term Financial Plan – Insert actual progress during 2025/26, including budget monitoring outcomes, savings delivery, MTFP refresh, reserves position, financial sustainability risks and any further action required.
- **Action: Chief Finance Officer/Senior Leadership Team – Completed March 2026 remains an Ongoing Action for 2026/27.**
- Workforce Capacity – A number of service restructures have taken place during 2025/26 to support service resilience, improve alignment of resources to priorities and strengthen management capacity. Work remains ongoing to mitigate workforce capacity issues, including vacancies, specialist skills shortages, service demand pressures and

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reliance on interim arrangements, particularly in the run-up to Local Government Reorganisation. The Council will continue to prioritise delivery activity, monitor capacity risks, support staff wellbeing and ensure that resources remain focused on statutory duties, corporate priorities and effective service delivery. A succession planning exercise has been undertaken by all service areas in 2025/26.

Action: Senior Leadership Team - Ongoing

- Emergency Planning Arrangements and Business Continuity Plans – During 2025/26, the Council reviewed its business continuity plans and arrangements and introduced a rota for on-call duty to strengthen resilience and ensure appropriate officer availability to respond to incidents. The review of emergency planning arrangements will be carried out during 2026/27.

Action: Deputy Chief Executive – Business Continuity Plans reviewed and updated during 2025/26, with an on-call duty rota introduced to strengthen resilience and officer availability. Emergency Planning review to be completed during 2026/27.

- Audit Committees in Local Authorities – Audit Committee members have received training to support their role and responsibilities, including awareness of CIPFA's Position Statement: Audit Committees in Local Authorities. The Council has appointed one independent member to the Audit Committee and will seek to recruit a further independent member during 2026/27 to further strengthen independent challenge, assurance and committee effectiveness.

Action: Chief Finance Officer – Ongoing Independent Member on the Audit Committee - Completed.

- Financial Management Code Compliance Update – The Council has carried out an initial self-assessment against the CIPFA Financial Management Code and has concluded that it broadly complies with the principles of the Code. The assessment identified a small number of areas for ongoing development, including continued member training, further anti-fraud training, revision of the Counter Fraud and Corruption Strategy, and strengthening the Council's ability to evidence that improvements are fully embedded in practice. Progress against these areas will continue to be monitored through the Council's financial governance and assurance arrangements.

Action: Chief Finance Officer – Ongoing Counter fraud and Corruption Strategy review completed in 2025/26 with amended strategy to Cabinet in July 2026.

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- Internal Audit Actions Implementation – There has been a positive response to Internal Audit recommendations during 2025/26, with good engagement from officers and a clear commitment to strengthening controls, governance and service delivery. Progress against agreed recommendations has continued to be monitored through the Council's established management and audit reporting arrangements. A small number of recommendations are being further considered in light of Local Government Reorganisation, changing priorities and available resources. The Council will continue to engage with Internal Audit on these matters to determine whether any actions require amendment, reprioritisation or, where appropriate, should no longer be delivered in their original form. This will ensure that audit actions remain proportionate, deliverable and aligned to current organisational risks and priorities.
- Risk Management Strategy – This action has been completed. The Council has approved and implemented a Risk Management Framework, which is publicly available and brings together the Council's Risk Management Policy, Risk Management Strategy, Risk Appetite Statement and Risk Management Toolkit. The Framework sets out the Council's approach to identifying, analysing, evaluating, managing, monitoring and reporting strategic and operational risks. It supports risk-aware decision-making, clarifies roles and responsibilities, and integrates risk management with corporate planning, service planning, performance management, internal audit and governance reporting. The Framework is also in the process of being reviewed to ensure that corporate risks remain reflective of the organisation, its operating environment and emerging priorities. The framework was reviewed and update in December 2025.

Action: Chief Finance Officer and Deputy Chief Executive – Completed.

- Governance – A revised governance structure has been introduced, including the establishment of governance boards to provide clearer oversight, co-ordination and challenge across key areas of Council activity. The boards support more effective prioritisation, monitoring and delivery of corporate activity, provide a structured route for escalation of risks and issues, and help ensure that decisions are informed by appropriate financial, legal, performance, risk and resource considerations. The new arrangements strengthen accountability across the organisation, improve visibility of cross-cutting work programmes and support the Senior Leadership Team in maintaining grip and control over delivery, transformation and organisational resilience. The establishment of the Connected council Board which meets with Cabinet following every cabinet meeting ensures effective engagement with Cabinet Members on delivery of Council priorities.

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Action: Deputy Chief Executive and Chief Finance Officer – Completed.

- Fees and Charges – This action has been completed. The Council has reviewed its fees and charges process and introduced a new approach through the Fees and Charges Policy, which is publicly available. The policy provides a clearer framework for setting, reviewing and approving fees and charges, supporting consistency, transparency, cost recovery, affordability considerations and alignment with the Council's strategic priorities and Medium Term Financial Plan.

Action – Chief Finance Officer – Completed.

7.8 Forward Look and Actions for 2026/27

The 2025 CIPFA/SOLACE addendum expects the Annual Governance Statement to include a forward look, considering how governance may need to change to meet future needs. Based on the review of effectiveness, the Council will address the following governance, risk and control actions during 2026/27. Some actions may not individually represent significant governance issues, but are included to demonstrate a proactive approach to continuous improvement.

- Sustainable Medium Term Financial Plan – The Council will undertake a mid-year review of the Medium Term Financial Plan and report the outcome to Cabinet. This review will consider the further efficiencies and financial planning assumptions required to support a balanced and sustainable budget over the medium term, while also taking account of the potential financial, organisational and service implications of Local Government Reorganisation. The review will support informed decision-making, help maintain financial resilience during a period of change and ensure that resources remain aligned to statutory responsibilities, corporate priorities and effective service delivery.

Action: Chief Finance Officer/Senior Leadership Team – Ongoing

- Workforce Capacity – Monitor *the emerging risk that workforce capacity may restrict delivery of the Annual Plan and governance compliance. Prioritise Annual Plan actions to ensure alignment with available resources and maintain staff morale. Workforce capacity continues to be affected by increased service demand, shortages in the professional labour market, reliance on high-cost interim staffing arrangements, implementation of the management restructure and the continuing cost of living pressures affecting demand for support to vulnerable households. Whilst a succession planning exercise has been*

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completed, in 2026/27 service areas will ensure written processes and procedures are in place for roles to support succession planning. The level of resource required to support LGR will also need to be reviewed.

Action: Senior Leadership Team – Ongoing

- Good Governance – Complete a review of the Local Code of Corporate Governance and annual governance review process to ensure alignment with the 2025 CIPFA/SOLACE addendum, including clearer evidence, statutory officer input, assurance mapping and forward-looking governance assessment.

Action: Senior Leadership Team – March 2026 Completed and Ongoing

- Governance Arrangements – Complete the LGA Improvement and Assurance Framework self-assessment tool and use the findings to strengthen governance arrangements, corporate assurance and improvement planning.

Action: Senior Leadership Team – September 2026

- Emergency Planning Arrangements – Following the review of business continuity plans and arrangements during 2025/26, and the introduction of an on-call duty rota to strengthen resilience and officer availability, the Council will undertake a review of emergency planning arrangements during 2026/27. This will include emergency planning training, with particular focus on cyber risk and incident response.

Action: Deputy Chief Executive – October 2026

- Audit Committees in Local Authorities – Review and adopt the principles of CIPFA's Position Statement: Audit Committees in Local Authorities, including consideration of independent audit committee members and the delivery of appropriate training for committee members.

Action: Chief Finance Officer – Ongoing

- Financial Management Code Compliance Update – Ongoing monitoring of compliance with the Financial Management Code and implementation of planned actions. During 2026/27, the Council will seek to improve and further embed the self-assessment process, ensuring that it is supported by clear evidence, management input and identified improvement actions. The updated self-assessment will be

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reported to Audit Committee during the year to provide oversight, challenge and assurance on continued compliance with the Code.

Action: Chief Financial Officer – March 2027

- Anti-Fraud Strategy and Whistleblowing Policy – *Review, revise and refresh the anti-fraud strategy and whistleblowing policy in line with audit recommendations.*

Action: Chief Finance Officer – Completed

- External Funding – Review and update the Council's external funding policy and guidance, ensuring that any external funding applied for supports the Council's priorities and is deliverable within the Annual Plan. The Council's Financial Regulations have been amended to facilitate and support this revised approach. All External Funding applications must comply with the detailed guidance within the Financial regulations, there is no longer a separate policy approach. This was considered proportionate given the lack of opportunity for external funding on the run up to LGR.

Action: Deputy Chief Executive – Completed June 2026

- Procurement Act 2023 Implementation – Ensure procurement governance, contract management, officer training, transparency requirements and decision-making arrangements are fully embedded following implementation of the Procurement Act 2023.
Completed and Social Value Policy adopted in 2025/26
- Counter-Fraud, Whistleblowing and Economic Crime – Embed the refreshed anti-fraud and corruption strategy and whistleblowing policy, strengthen fraud risk assessment and ensure arrangements reflect relevant economic crime legislation and best practice.
- Ongoing – strategy to be presented to Cabinet July 2026.
- Cyber Security, Data Governance and Resilience – Continue to develop cyber resilience, information governance, business continuity and incident response arrangements, including training, testing and reporting to senior management and members.

Ongoing – cyber exercise undertaken by Senior Managers in April 2026
Member training and updates provided to Audit Committee and cabinet in 2025/26.

The Code also identifies work to be undertaken in 2026/27, including finalising the review of the Council's Counter Fraud and Corruption Strategy, migration of the Council's Employee System to the cloud with improved capability, establishing a planned approach to Local Government Reform, engaging further on Leisure Transformation, further Local Plan consultation

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and adoption of a Housing Strategy. In addition following the self-assessment under the Local Government Association self- assessment tool on Improvement and Assurance and the CSPL recommendation review, further actions have been identified including the need for improved staff consultation and engagement through more effective internal communications, (plans for which are already in progress), the preparation of a clear forward plan for Committees which has started in 2025/26 and corporate training for complaint handlers to ensure consistent responses across the organisation.

7.9 The Council is satisfied that, during 2025/26, it had appropriate governance arrangements in place and that these were generally operating effectively. The matters identified in this statement will be addressed through the improvement actions set out above and monitored through the Council's established governance, risk management, performance and audit arrangements. Progress will be reported through the appropriate officer and member governance channels and considered as part of the next annual governance review.

7.10 This statement has been prepared with reference to the Accounts and Audit Regulations 2015, the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework*, the 2025 CIPFA/SOLACE addendum on the annual review of governance and the Annual Governance Statement, the CIPFA Financial Management Code, CIPFA guidance on the role of the Chief Financial Officer, CIPFA guidance on audit committees in local authorities and relevant statutory, regulatory and professional standards. The Council has also had regard to emerging practice across the local government sector, including the clearer narrative, assurance mapping and forward-looking approach used by other authorities.

Mike Hill Chief Executive Date:	John Clarke Council Leader Date:
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