COTSWOLD
District Council

Council name	**COTSWOLD DISTRICT COUNCIL**
Name and date of Committee	**AUDIT AND GOVERNANCE COMMITTEE – 27 JULY 2026**
Subject	**FIN202603 – ANNUAL GOVERNANCE STATEMENT 2025/26**
Wards affected	All
Accountable member	Cllr Mike Evemy, Leader of the Council Email: mike.evemy@cotswold.gov.uk
Accountable officer	Jane Portman, Chief Executive Email: jane.portman@cotswold.gov.uk
Report author	David Stanley, Deputy Chief Executive & Section 151 Officer Email: david.stanley@cotswold.gov.uk Angela Claridge, Director of Governance and Development Email: angela.claridge@cotswold.gov.uk
Summary/Purpose	This report presents the Audit and Governance Committee with the Annual Governance Statement for 2025/26 and sets out the Action Plan for 2026/27.
Annexes	Annex A – Annual Governance Statement 2025/26 Annex B – Senior Information Risk Owner (SIRO) Annual Report 2025/26
Recommendation(s)	That Audit and Governance Committee resolves to: 1. Endorse the Annual Governance Statement for 2025/26 and the Action Plan for 2026/27 2. Notes the 2025/26 SIRO report
Corporate priorities	All
Key Decision	NO
Exempt	NO
Consultees/	Corporate Leadership Team, Extended Management Team, Leader

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Consultation	of the Council, Cabinet Member for Climate Change and Digital Member for

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1. EXECUTIVE SUMMARY

1.1 The Annual Governance Statement ("AGS") sets out how the Council demonstrates compliance with the Local Code of Corporate Governance for 2025/26.

1.2 The AGS reports that the Council's governance arrangements are fit for purpose.

1.3 An Action Plan for 2026/27 covers 3 areas – Financial Sustainability, Business Continuity, Procurement.

1.4 Section 5 of the report and Annex B to the AGS summarise and includes the 2025/26 Senior Information Risk Owner (SIRO) report, which was agreed to be included with the AGS by Audit and Governance Committee at their meeting on 27 January 2026.

2. BACKGROUND

2.1 The Audit and Governance Committee is the Committee of the Council charged with overseeing governance.

2.2 The Council reviews the effectiveness of the governance each year to fulfil the requirements of both the applicable regulations (Regulation 4 of The Accounts and Audit Regulations 2011) and the Code of Practice on Local Authority Accounting in the United Kingdom.

2.3 The benchmark against which the review should be undertaken is the seven principles of good governance, as set out in the Governance Framework and shown below:

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

- **Principle G:** Implementing good practices in transparency, reporting, and audit to deliver effective accountability

2.4 The Council has adopted a Local Code of Corporate Governance which sets out the governance arrangements in place at Cotswold District Council and how the governance principles are evidenced. Cotswold District Council Local Code of Corporate Governance (Reviewed September 2025).

2.5 The annual review of effectiveness and preparation of the AGS will highlight areas of governance that require improvement including any significant gaps, significant governance failures, or areas where arrangements could be easier to understand and comply with.

2.6 The Action Plan outlines how those areas are being addressed in the coming year and beyond where necessary.

3. EXECUTIVE SUMMARY OF THE ANNUAL GOVERNANCE STATEMENT

3.1 The AGS sets out how the Council has demonstrated compliance with the Local Code of Corporate Governance (as approved by Audit and Governance Committee, 30 September 2025).

3.2 The key messages and conclusion of the AGS are:

- The Council has complied with the Local Code of Corporate Governance
- Actions and evidence to support compliance with Principles A to G has been reviewed and updated.
- Actions relating to the 2025/26 Action Plan have been completed with a roll forward Business Continuity with respect to finalising and testing business-critical continuity plans that have been prepared and reviewed in Q4 2025/26.
- Additional controls were agreed in relation to the Council's procurement activity following the report on Procurement to Audit and Governance Committee in September 2025. An Action Plan was agreed with the committee updated in April 2026 on progress.

3.3 It is considered that the governance arrangements for the Council are fit for purpose. These arrangements are reviewed both annually and continuously (as events may

dictate) alongside the Local Code of Corporate Governance. These arrangements support the achievement of the authority's Corporate Plan and outcomes as set out.

3.4 The AGS includes an Action Plan for 2026/27 and an outlook on the governance environment that authority operates within.

3.5 The Action Plan for 2026/27 includes 3 areas:

- **Financial Sustainability:** (a) identify and implement efficiency savings to close the budget gap in the Council's MTFS. (b) ensure CDC are in a positive financial position when Unitary Authorities are established on 01/04/2028.
- **Business Continuity:** (a) complete the new BIA Process for the CDC and Publica services. (b) from the BIA, populate the new Business Continuity Plan template for all Council and Publica delivered services. (c) test the business-critical Business Continuity Plans
- **Procurement:** (a) review of PO to Pay Implementation. (b) provision of further Mandatory Training sessions for officers and/or members to include additional content in relation to "Failure to prevent fraud" corporate offence introduced in the Economic Crime and Corporate Transparency Act 2023

3.6 The AGS has been signed on behalf of the Council by the Leader of the Council and the Chief Executive.

4. ANNUAL GOVERNANCE STATEMENT – 2026/27 ACTION PLAN

4.1 An important aspect of the review of the Council's Governance is to consider whether there are any areas of governance that require additional action, improvement or enhancement. These are set out in the Action Plan for 2026/27.

4.2 The Action Plan includes 3 areas of focus:

- **Financial Sustainability:** (a) identify and implement efficiency savings to close the budget gap in the Council's MTFS. (b) ensure CDC are in a positive financial position when Unitary Authorities are established on 01/04/2028.
- **Business Continuity:** (a) complete the new BIA Process for the CDC and Publica services. (b) from the BIA, populate the new Business Continuity Plan template for all Council and Publica delivered services. (c) test the business-critical Business Continuity Plans

- **Procurement:** (a) review of PO to Pay Implementation. (b) provision of further Mandatory Training sessions for officers and/or members to include additional content in relation to "Failure to prevent fraud" corporate offence introduced in the Economic Crime and Corporate Transparency Act 2023

5. SIRO ANNUAL REPORT

5.1 The Council's Senior Information Risk Officer (SIRO) has accountability for ensuring that effective systems and processes are in place to address the Information Governance agenda including records and document management. With completion of phase 1 of the Publica review in November 2024, the role of SIRO moved from Publica to the Council and the role is held by the Chief Executive Officer.

5.2 The SIRO is responsible for the corporate approach to managing information risk including: · acting as corporate champion for information governance, security and data protection · providing a focus for the management of information governance at a senior level · ensuring sufficient professional capacity and expertise is in place · ensuring that the Council has appropriate information security policies in place · providing advice and reports in respect of information security incidents, risks and trends · assessing how the Council's strategic priorities may be impacted by these incidents, risks and trends and how they can be managed, resourced and scrutinised effectively · implementation of the Council's approach to the management, retention and destruction of paper and electronic records.

5.3 The SIRO is supported in this work by the Data Protection Officer (DPO) which is a statutory role required by Article 37 of the UK General Data Protection Regulations (GDPR) and Section 69 of the Data Protection Act 2018 and other compliance and governance officers.

5.4 Annex B includes the full report from the SIRO and is summarised briefly below.

- Information governance arrangements continued to strengthen and mature during 2025/26, moving from establishing controls to embedding good practice across the Council.
- Information governance policies, procedures and guidance were reviewed and updated to remain compliant with legislative and operational requirements.
- Information asset management and records retention arrangements were further enhanced, supporting improved compliance and consistency.

- Staff training and awareness programmes continued, reinforcing responsibilities for data protection, information security and records management.
- Monitoring of information incidents and risk mitigation actions was strengthened, improving organisational resilience and reducing information-related risks.
- Cross-service collaboration ensured information governance considerations were embedded within service delivery, digital transformation and business change programmes.
- No significant information governance failures occurred during the year. Data protection incidents were managed in accordance with established procedures, with lessons learned implemented where appropriate.
- The SIRO is satisfied that information governance arrangements remain effective and continue to improve.
- Key priorities for 2026/27 include:
    - Further development of records management arrangements.
    - Continued training and awareness for staff and elected members.
    - Ongoing review of emerging information and cyber risks.
    - Maintaining compliance with legislation and best practice guidance.
- The SIRO's annual assurance is now incorporated within the Annual Governance Statement, providing enhanced transparency and assurance over information risk management.

6. CONCLUSIONS

6.1 It is considered that the governance arrangements for the Council are fit for purpose. These arrangements are reviewed both annually and continuously (as events may dictate) alongside the Local Code of Corporate Governance. These arrangements support the achievement of the authority's Corporate Plan and outcomes as set out.

6.2 The AGS includes an Action Plan for 2026/27 and an outlook on the governance environment that authority operates within.

7. FINANCIAL IMPLICATIONS

7.1 There are no financial implications arising directly from this report.

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8. LEGAL IMPLICATIONS

8.1 There are no legal implications arising directly from this report.

9. RISK ASSESSMENT

9.1 If the Council's governance arrangements are weak then Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the 2026/27 financial year identified in the AGS provide a clear set of priorities for the continual improvement of governance and mitigation of risk

10. EQUALITIES IMPACT

10.1 An equalities impact assessment is not required for this report.

11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

11.1 There are no climate or ecological emergency implications arising directly from this report.

12. BACKGROUND PAPERS

12.1 None

(END)