

ANNUAL GOVERNANCE STATEMENT 2025/2026

1. SCOPE OF RESPONSIBILITY

Cotswold District Council ('the Council') is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for;
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The Council has a Best Value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

In 2024/25, the Council developed and approved a Local Code of Corporate Governance ('the Code'), which was consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'). This statement explained how the Council has complied with the Code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the Council to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts. The Local Code of Corporate Governance is reviewed annually, and in 2025/26 it was revised to include the addendum to the 'Delivering good governance in local government: framework published by Solace in May 2025. The application of this addendum is for annual governance statements for 2025/26 onwards.

In the addendum, CIPFA and Solace recommend that authorities adopt a local code of governance which sets out their governance arrangements, showing how governance principles are put into practice at their authority. The code should:

- clearly align to the principles in Delivering Good Governance in Local Government: Framework,
- take account of the best value statutory guidance or other statutory requirements of the appropriate national government
- be up-to-date and reviewed regularly to ensure it takes account of changes in the authority and its environment,
- identify what arrangements the authority has put in place to achieve each principle, so it is specific to the authority,
- include values and behaviours as well as processes, as these influence the authority's culture,
- include how the code is reviewed and updated.

In addition to this, CIPFA issued its 'Statement on the Role of the Chief Finance Officer in Local Government (2015)'. The Annual Governance Statement ('the AGS') reflects compliance with this statement for reporting purposes and the new addendum.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled including activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2026 and up to the date of approval of the Annual Statement of Accounts.

During 2025/26, the residents of Cotswold have continued to face the challenges presented by the cost-of-living crisis. The Council has adapted the delivery of its services to meet the changing needs of the residents whilst coping with the financial challenges faced by all local authorities. In previous years, the Council has received single year financial settlements which restrict our ability to confidently plan for more than one year in advance. With Local Government Reorganisation planned for 1 April 2028, the Council has received a three-year funding (final) settlement on 9 February 2026, covering the financial years 2026/27 through to 2028/29. Year 1 and 2 of the settlement period apply to Cotswold District Council with Year 3 covering the new unitary council. This provides greater certainty on the budget position as we head towards LGR.

General and wage inflation puts additional pressure on the financial position of the Council, however, the most significant challenge over the next two years will be to support the creation of new unitary council(s) in Gloucestershire whilst ensuring we continue to deliver on our priorities for the residents of Cotswold.

3. THE GOVERNANCE ENVIRONMENT

The key elements of the Council's governance arrangements are outlined in the Code. The governance framework includes arrangements for:

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the Council's vision and its implications for the Council's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the Council's priorities and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of Cabinet, Non-Executive including Scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and employees;
- Reviewing and updating Financial Rules, Contract Rules, Schemes of Delegation, Codes and Protocols, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained;

- Ensuring the Council's financial management arrangements conform with the governance requirements of the *CIPFA* Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit and Governance Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Arrangements for whistleblowing and for receiving and investigating complaints;
- Risk based Internal Audit Strategy and Annual Plan;
- Identifying the development needs of Members and Senior Officers in relation to their strategic roles, supported by the appropriate learning and development opportunities;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the Council's overall governance arrangements;
- Reports from external bodies such as the Local Government & Social Care Ombudsman, HM Revenue & Customs, Information Commissioner, Investigatory Powers Commissioner and Planning Inspectorate;
- Overview & Scrutiny Committee represents a public forum through which Councillors can monitor the implementation of the Council's policies and the quality of its services; make recommendations on the discharge of the Council's functions and/or matters effecting the district and hold the Executive to account for their decisions and actions;
- Ensure we comply with the addendum 'Delivering good governance in local government: framework' published by Solace in May 2025.

The main areas of the Council's governance framework, and the key evidence of delivery, are set out below, under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016) and addendum (2025).

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Behaving with Integrity
 - Demonstrating strong commitment to ethical values
 - Respecting the rule of the law
- The roles and responsibilities of Members generally and all office holders are set out in the Council's Constitution, along with the way in which the various elements of the Council interact and complement each other. The Constitution is supported and underpinned by a separate Code of Conduct for Members and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues. This is further supported by the Council's Employee Code of Conduct and Publica's¹ Business Conduct rules which set out guidelines for staff behaviour.
 - The Council's Constitution is kept under constant review. During the year, an Appeal Committee was established, amendments were made to the Planning Protocol, the Standards Hearing Procedure Rules were updated, and changes were made to the membership of the Planning and Licensing Committee. This process is overseen by the Constitution Working Group which has a busy programme of work and recommends improvements and updates to full Council. Included in the Constitution is a Member Code of Conduct to promote and maintain high standards of conduct.
 - In 2025/26 full Council adopted an updated Risk Management Strategy and a more robust Risk Register. Quarterly updates were provided to Audit & Governance Committee and Cabinet of the Strategic Risk Register. The Council's Contract Procedure Rules was amended to reflect the new Procurement Act 2023 and adopted in March 2025.
 - A Procurement Action Plan was agreed by Audit & Governance Committee in September 2025 in response to the investigation into procurement activity. The plan outlined 9 actions with implementation deadlines and relevant lead officers as a robust and urgent response to the issues highlighted. An update against the plan actions was provided to Audit and Governance Committee in April 2026.

¹ Publica Group (Support) Limited is a local authority owned company, jointly owned by Cheltenham Borough Council and Cotswold, Forest of Dean and Cotswold District Councils.

- Completed actions have strengthened the internal control environment for procurement activities. The Internal Audit Plan for 2026/27 includes a review of the controls in relation to procurement activities of the Council and Publica. Procurement is also part of the Internal Audit Plan of continuous and annual reviews.
- Introduction of Procurement Toolkit developed to reflect requirements under the Procurement Act 2023.
- Declarations are made at meetings by Members, where appropriate, and are recorded in the minutes of the meeting and on the Council website. The Members' Code of Conduct requires Members to complete a register of interests and these are also recorded and published on the Council website.
- The Council maintains a central register of all gifts, hospitality and sponsorship offered to Members and officers, with mandatory declaration requirements and clear thresholds. Anything over £25 requires approval from the Council's Monitoring Officer.
- Policies and procedures are in place, which are reviewed periodically and / or as changes are made to ensure compliance with laws, regulations and best practice.
- The Monitoring Officer and Section 151 Officer report directly to the Chief Executive and are members of the Corporate Leadership Team (CLT).
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures / statutory legislation. Where non-compliance is identified, this is reported to Management and to Members via the Council's Audit & Governance Committee.
- Following the transition of services from Publica to the Council, several HR policies have been updated in the light of legislative changes or organisational requirements. This included developing and adopting a number of Council specific HR policies since January 2026 where gaps existed post transfer.
- The Whistleblowing Policy was included within the Constitution in 2024/25 and is now managed, monitored and reviewed as required. It has recently been updated (February 2026) following changes in legislation.
- A Counter-Fraud and Enforcement Unit, which delivers services across Gloucestershire, is hosted by this Council to help prevent and detect fraud and

corrupt practices, including misuse of power. This service reports to the Audit & Governance Committee twice a year.

- An annual report providing summary information on Member Code of Conduct Complaints is considered by the Audit and Governance Committee.
- There are safeguards in the Constitution for handling planning and licensing applications from Members and Officers and the Probity in Planning Guidance was adopted by Council in 2024/25.
- As part of the transition of services from Publica back to the Council on 1 November 2024 and 01 July 2025, a dedicated Council Communications Team is now in place. As part of this, the Communications Strategy for the Council has been reviewed and updated to ensure communications are reaching our residents. Following the transition of services from Publica back to the Council on 1 November 2024, a dedicated CDC communications team has been established. As part of this, the Council's Communications Strategy has been reviewed and refreshed to strengthen engagement with residents and enhance internal communications with employees.
- A new Governance Group has been established following the transition of services back to the Council which is focused solely on the Council rather than across the Publica partnership. This ensures sufficient focus and scrutiny is given to our internal governance arrangements.
- Public meetings are minuted, with decisions and key actions recorded appropriately. The Council continues to publish key decisions in line with legal requirements and best practice. The Council provides regular updates to Members through a programme of monthly member briefing sessions on key Council services and major issues affecting the district (e.g. local government reorganisation and devolution). This is supplemented by the introduction of a Members newsletter and a revamped Members Portal (an online point of access to information Members may need to carry out their role effectively).
- There is an annual programme of member training which is overseen by the Members Development Strategic Steering Group. Members also now have access to selected courses via the Council's e-learning platform iHasco and are signposted to external training opportunities e.g. through the LGA, Centre for Public Scrutiny and South West Councils.
- The Communications Service remains fully mobilised to ensure communications through all our channels to support public health advice / information /

messaging and Council service and support information to reach audiences externally and internally.

- In line with the new addendum to the 'Delivering good governance in local government: framework was published by Solace in May 2025; a review of the Local Code of Corporate Governance will be undertaken during 2026/27 to ensure compliance.

B. Ensuring openness and comprehensive stakeholder engagement

- Openness
 - Engaging comprehensively with institutional stakeholders
 - Engaging with individual citizens and service users effectively
- Annual accounts are published in accordance with the reporting timescales as set out in the Accounts and Audit Regulations (2015) and guidance from MHCLG/CIPFA.
 - The Council's Corporate Plan 2025 - 2028 was reviewed and adopted in October 2025. This is available on the Council website setting out the Council's vision and corporate priorities.
 - The Council has appropriate arrangements in place to comply with the Local Government Association's pre-election guidance. During the pre-election period, additional controls are applied to decision-making, communications and the use of Council resources to ensure political impartiality and fairness. Clear guidance is issued to Members and officers, with oversight and advice provided by senior officers, including the Monitoring Officer. These arrangements provide assurance that the Council continues to operate lawfully, transparently and with due regard to public confidence during the election period.
 - All Committee, Cabinet and Council reports clearly outline their purpose, so the community can understand what is trying to be achieved. Reports also address financial, legal, equalities, risk and climate and ecological implications to aid understanding of the potential impact of their recommendations.
 - The roles and responsibilities of the Cabinet, Non-Executive, Scrutiny and Officer functions are defined in the Council's Constitution.

- The relationship between Overview & Scrutiny Committee and Cabinet is important to the overall governance arrangements of the Council. To support this, an annual Overview and Scrutiny Committee report is presented to Full Council to demonstrate the impact of Overview and Scrutiny and the effectiveness of the Executive/Scrutiny Protocol (Part E10 of the Constitution). The Chair of the Overview and Scrutiny Committee is drawn from outside the controlling political group.
- A Scheme of Delegation of powers to Officers is included within the Constitution.
- The Council has a planning protocol which sets out guidance for both Officers and Councillors when determining Planning applications, specifically those which come before the Planning and Licensing Committee for decision. The protocol sets out the conditions for Members to refer applications within the District to the Planning and Licensing Committee. Referrals are reviewed by a Review Panel which considers which applications should proceed to the Committee. The Minutes of the Review Panel are circulated to all Members.
- Communication channels for Council and Publica employees include one-to-ones and team meetings. Corporate communications include weekly update emails and an online portal. All Staff Briefings are held on a 6-weekly cycle.
- A Customer Feedback form is available publicly for handling comments, complaints and compliments and the Council's website includes different ways for customers to give feedback or access services. A customer satisfaction survey was carried out on the telephone service provided, with the Council receiving high satisfaction scores being ranked third in the country.
- The People & Culture Strategy 2025 – 2028 was developed and, together with four core workforce values, approved by Cabinet in September 2025.
- A new customer complaints process was introduced in April 2025 which complies with the newly published Ombudsman Code for Complaint Handling.
- Ensuring clear channels of communication with all sections of the community and other stakeholders.
- A protocol for webcasting all Council Committee Meetings was approved in January 2024 at Full Council enabling greater transparency and community engagement in Council Meetings following the refurbishment to the Council Chamber into a multi-functional venue. This continues to be in place.

- The ability for members of the public to ask questions at Cabinet, Full Council and Committee meetings.
- A report is produced quarterly regarding the performance of the Council's services and the achievement of its aims and objectives. The report is presented to the Cabinet, discussed at the Overview & Scrutiny Committee and published on the Council's website. The format of the report has been enhanced to provide a narrative and clearer information on Council priorities and key performance indicators.
- The Council publishes transparency data on its website which includes supplier payments, service structure charts and the Annual Pay Policy Statement. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information requests and the procedure that will be followed to answer the requests.
- Corporate Leadership Team (CLT) and Extended Management Team (EMT) meetings provide senior-level oversight of performance, risk and delivery. These forums support collective challenge, informed decision-making and alignment across services, providing assurance that corporate priorities are being effectively managed and key controls are operating as intended.
- The Council operates formal Overview and Scrutiny arrangements through which the performance of key strategic partners is monitored. Partners are required to attend Overview and Scrutiny Committee to present performance reports, provide assurance on the delivery of agreed outcomes and respond to Member challenge. This control provides effective oversight, supports transparency and accountability, and enables the early identification and management of performance risks within partnership arrangements.
- The Council has introduced employee surveys and feedback to provide a culture of internal challenge and self-assessment.
- Performance of services is challenged internally and improvement plans put in place where services are underperforming.
- Consultation and engagement are undertaken with residents, service users and stakeholders. This includes the budget consultation and extensive engagement of the Local Plan.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Defining outcomes
 - Sustainable economic, social and environmental benefits
- The Council's vision and corporate priorities are contained within the Council Plan 2025 - 2028 which was adopted by Council in October 2025: This sets out the high-level areas of focus, and what the Council hopes to achieve on its own or in partnership with others. These priorities are supported by the Code of Corporate Governance as good governance should underpin all the work of the Council.
 - Service plans are in place for all services delivered directly by Cotswold District Council and our partner, Publica.
 - An annual business planning process is also conducted by Publica, which is informed by the corporate priorities, legislation and government guidance.
 - Detailed proposals arising from the corporate priorities are individually assessed and are included within decision making reports.
 - Budget Procedure Rules have been adopted to ensure full engagement in the budget cycle.
 - Contract Procedure Rules have been updated and approved by Council following the implementation of the Procurement Act 2023 and adopted in 2025. All relevant officers have been trained in the new legislation and a toolkit is available to guide officers through the process.
 - The financial implications of delivering against the Council's priorities are included within the Council's Medium Term Financial Strategy ('MTFS'), revenue budgets and capital programme. These key financial documents are updated annually during the budget setting process. Variance to budget is reported quarterly.
 - As part of its MTFS the Council assesses its forecast financial position and updates its assumptions about the resources available to, and the investment needs of, the Council.
 - The Council's MTFS (February 2026) indicates the Council has a budget gap from 2027/28 due to constrained funding and pressures on service delivery and

costs. Mitigation measures will be considered by the Council during 2026/27 ahead of members approving the 2027/28 budget in February 2027.

- The Corporate Leadership Team and Officers are representing Cotswold District Council on the LGR programme for Gloucestershire.
- A new Operational Forum has been introduced in 2025/26 to monitor and manage the performance and delivery of our partner, Publica.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Determining interventions
 - Planning interventions
 - Optimising achievement of intended outcomes
- The Council, with three other councils, works in partnership with Publica Group (Support) Ltd to deliver services. Where appropriate, processes have been or are being aligned to ensure consistency across the partner councils, without compromising local priorities. In recognition that Publica is a significant contractor of the Council, the Council monitors its performance by:
 - Considering Publica's Annual Report at Council and the draft Business Plan at the Overview and Scrutiny Committees and Cabinet in February/March each year;
 - Requiring representatives from Publica to attend the Overview & Scrutiny Committee to support discussion on quarterly performance and other reports;
 - Inviting Publica senior officers to attend monthly Informal Cabinet meetings to discuss progress against the Business Plan and Corporate Plan
 - A review of Publica was undertaken, and in response to this, a number of services were transferred from Publica to direct Council delivery. All other services continue to be delivered by Publica.

- The Council continues to secure savings through a Savings and Transformation Programme.
- Service plans are now in place for the Council and Publica and are aligned to the delivery of Council priorities. These also include any short and medium projects, resources, finances, risks and key performance indicators.
- The Council is also a Shareholder in Ubico, which delivers the Council's environmental services including waste and recycling collection services. The Council is focusing on ensuring effective governance arrangements are in place for this wholly owned company.
- The Council has processes in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities. Corporate processes such as risk management, performance management processes, budget monitoring and other management processes are designed to capture and incorporate these external factors and to enable the Council to respond appropriately.
- The strategic risk register is reviewed regularly by the Corporate Leadership Team and reported to the Audit & Governance Committee and Cabinet as part of performance and financial reporting. This has been reviewed to ensure all required risks are escalated and reported.
- Projects and services retain their own risk registers and escalate risks to the Corporate Leadership Team and Publica as appropriate for consideration. The Corporate Leadership Team reviews risk registers bi-monthly and escalates any emerging risks to the strategic register which is considered by Audit & Governance Committee on a quarterly basis. Significant progress has been made in improving the identification and reporting of risks and improved communication and processes to ensure risks are appropriately escalated to the strategic register and visible to the Corporate Leadership Team.
- Key performance indicators are measured and reported quarterly. Significant work has been undertaken to develop service performance reports which are presented to the Cabinet and the Overview & Scrutiny Committee. Improvement plans are put in place for any services which are identified as underperforming.
- Budgets are prepared annually in accordance with objectives, strategies and the MTFS, following consultation with residents, Members and Officers. The financial procedures rules were fully reviewed and amended in November 2023.

- The MTFS is a live document and is reviewed, updated during the financial year to respond to the changing environment.
- The Council has processes in place to assess its performance including lessons learnt to ensure continuous improvement and value for money.
- Procurement processes are in place which include social value.
- As we move forward, we will continue to analyse the impact of the cost-of-living crisis and how that may impact our strategic priorities. The Council will continue to work with residents and local businesses to review and respond to their changing needs.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Developing the entity's capacity
- Developing the capability of the entity's leadership and other individuals

The Council has developed a People & Culture Strategy to ensure it has the right employees, in the right places to deliver its services and the Council Plan, building on the work delivered through Publica. It also includes how the Council supports its employees, helps them develop professionally and manage performance.

- The Constitution contains schemes of delegation at Member level covering the Council, Cabinet, individual Cabinet Members and other committees. Similarly, there is a scheme of delegation for officer decisions at Cabinet, Non-Executive and Regulatory meetings. These are reviewed and revised as structures at Council and Officer level change.
- Financial Procedure Rules are in place and are reviewed as required.
- An induction programme is available to new employees and Members. Training is also provided for both Members and Officers on an on-going basis as appropriate and necessary. Members on certain Committees (e.g., Planning, Standards and Licensing) are required to undertake training before attending the Committee meetings, and to attend further training to remain up to date and improve their knowledge. Leadership training is made available to Cabinet Members through the Local Government Association.

- Officers undertake regular 1-2-1 meetings with their line manager. As part of these meetings, officers discuss work plans/tasks and any training requirements associated with the successful delivery of the work plan. Officers are encouraged to complete Continuing Professional Development as relevant to their professional qualifications with the Head of Human Resources responsible for the Corporate Training budget and the process for allocating funding agreed with CLT to ensure that training can be undertaken to maintain skills and knowledge.
- Training is also provided for officers on an on-going basis as appropriate and necessary with CPD being undertaken by officers accredited to professional bodies.
- The Chief Executive (Head of Paid Services), the Section 151 Officer, the Monitoring Officer and the Leader of the Council have clear statutory responsibilities. Roles and responsibilities are contained within the Constitution along with the Member/Officer Protocol and Monitoring Officer Protocol. The Solace, CIPFA and Lawyers in Local Government (LLG) publication "Golden Triangle: Governance Roles & Responsibilities" was published in August 2025. This document has been reviewed by the three statutory officers to improve transparency and understanding between their roles.
- A Corporate induction is in place for officers and members.
- Publica provides learning and development services to Cotswold District Council employees. This includes mandatory, developmental and an annual training brochure. The Council also utilises the apprenticeship levy.
- Health and well-being initiatives are in place, including an Employee Assistance Programme, Menopause support and champions, and well-being advocates. The well-being offer is continually reviewed to ensure it meets the needs of our employees, especially as we go through LGR.
- The iHasco online training facility has been further developed to create a suite of mandatory and service specific training. Selected courses can now also be accessed by Members.
- Democratic Services routinely identifies suitable training opportunities for Members from the Local Government Association, Centre for Public Scrutiny, CIPFA, South West Employers and others.
- Mandatory Officer Cyber Ninja training has been undertaken with a specific tailored on-line module created for and rolled out to Members. Data Protection

training has also been rolled out to Members during 2025/26. Renewal training is being rolled out in 2026/27.

- Development Pathways are now in place across the organisation. Including Leadership and People Skills, this is supported with accredited ILM Leadership and Management Training. All Senior Managers have received Carbon Literacy training with silver accreditation being achieved and gold being targeted for 2026/27.

F. Managing risks and performance through robust internal controls and strong public financial management

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

- The Council reports regularly on activities, performance and the Council's financial position through reports to its Cabinet and Committees. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:
 - Quarterly Performance Reports, publicly reported to the Cabinet.
 - Auditor's Annual Report covering audit conclusions and highlights the key findings arising from the external auditor's value for money work.
 - Annual Statement of Accounts (which are subject to an external audit and opinion) including an Annual Governance Statement.
- The Corporate Leadership Team reviews the Strategic Risk Register on a quarterly basis and also presents the Strategic Risk Register to Members. The Strategic Risk Register is reported to the Audit & Governance Committee on a quarterly basis.

- A revised Risk Management Policy was presented and approved by Audit and Governance Committee on 27/05/2025.
- Risks are identified when undertaking Internal Audit reviews and reported when necessary. The Council, through the Leadership Team, is able to flag any areas of concern to be added to the work of the Internal Audit team in the coming year.
- The work of the Internal Audit team is reviewed and challenged by both the Leadership Team and the Audit and Governance Committee.
- Performance Management measures the quality of service for users to ensure services are delivered in accordance with the Council's objectives and represent best use of resources.
- Performance is measured on a regular basis through the quarterly key performance indicator dashboards and reported to Members and the Cabinet.
- Cabinet reports are subject to Statutory Officer sign-off (by Head of Paid Service, Section 151 Officer and Monitoring Officer) to ensure that all risks are assessed ahead of publication for meetings.
- Minutes of public meetings are published and highlight the challenge made by Members to Officers and to Cabinet Members.
- The Internal Audit service is provided by South-West Audit Partnership Internal Audit Services ('SWAP') and is run in partnership with other local authorities.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the Leadership Team. The Audit Plan is approved at the Audit & Governance Committee prior to the financial year.
- Audit reports, once completed, are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to the Audit & Governance Committee, on a quarterly basis.
- Recommendations made in audit reports are followed up 6 months after the completion of the audit and priority 1 and 2 findings are reported to the Audit & Governance Committee. Recommendations not implemented within that time scale are reported to the S151 Officer and to the Audit & Governance Committee.

- The Audit & Governance Committee's Terms of Reference are contained within the Constitution. Training is provided to Members on various aspects of the Committee's functions and responsibilities (internal audit, external audit, statement of accounts, risk, counter-fraud, treasury).
- The Council has successfully recruited 2 Independent Members who provide challenge and support to the Committee as non-voting members.
- The Counter Fraud and Enforcement Unit supports the Council and other third parties. Where investigations identify possible improvements to the internal control framework the Counter Fraud and Enforcement Unit will liaise with the Internal Audit team to ensure the improvements are followed up and implemented by management.
- The Council's Data Protection Officer has responsibility for Data Protection policies and ensuring that Officers and Members are informed and appropriately trained. The Council has appointed the Chief Executive as the Senior Information Risk Owner (SIRO). The first Information Governance and SIRO Annual Report was presented to Audit & Governance Committee in January 2026.
- The Council has invested in its cyber security capability to increase its resilience against a cyber-attack, by implementing additional security solutions, recruiting additional staff and resourcing an ongoing training programme to maintain the impact of this investment.
- A new Artificial Intelligence (AI) Policy has been approved at Cabinet on 16 April 2026 and is being supported with AI training being offered through our internal Learning and Development Team.
- Audit reviews ensure data is held securely whether electronically or hard copy.
- The MTFS is reviewed and updated on a regular basis by the Section 151 Officer to ensure that the Chief Executive, Monitoring Officer and Members are aware of the financial standing of the Council.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- **Implementing good practice in transparency**
- **Implementing good practices in reporting**
- **Assurance and effective accountability**

- Data in respect of transparency is published on the Council's website.
- The Council's Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the Council has met its governance reporting obligations.
- External Audit recommendations are reported to the Audit & Governance Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported.
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed up and reported to the Audit & Governance Committee, further follow-up is planned if recommendations have not been actioned in full.
- The Council has a process for the receipt and processing of freedom of information requests made under the Freedom of Information Act and environmental information requests under Environmental Information Regulations. The process was reviewed in 2024/25 to improve efficiency.
- There is a presumption that all reports and the associated annexes to be considered in public meetings will be published. The Council's Legal Officer is consulted in circumstances where reports or annexes contain information which is considered to be exempt from publication.
- The Council has reviewed its approach to accessibility to ensure compliance with statutory requirements and good practice. As a result, improvements are being made to published website content. This work provides assurance that information and services are accessible, inclusive, and appropriately controlled, supporting transparency and equitable access for all users.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the Corporate Governance Group and comments made by the External Auditors and other review agencies and inspectorates.

The Council's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

- Statutory Officers, Directors, Executive Directors, Assistant Directors and Heads of Service/Business Managers are required to complete an Annual Assurance Statement at the end of the financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.
- The Corporate Leadership Team (including the Chief Executive, Section 151 Officer, the Monitoring Officer and Directors) review the Strategic Risk Register on a quarterly basis and Service/Project Risk Registers are maintained by each Head of Service/Business Manager.
- A Governance Group meets quarterly to discuss and action matters such as staff declarations of interests/gifts and hospitality, audit recommendations, cyber security and GDPR updates/breaches register and counter fraud updates.
- The SWAP Assistant Director (Head of Internal Audit) provides the Audit & Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the Council, which includes its governance arrangements.
- Investigation of, and decisions on, allegations of failure to comply with the Members' Code of Conduct are considered and determined by the Monitoring Officer and the Standards Sub-Committee taking into account the views of the Independent Person.
- The Council has three Independent Persons ('IP's') to ensure resilience if there was an absence or conflict of interest situation.

- Induction processes are provided for newly elected Members, including a comprehensive welcome pack and training on the Code of Conduct.
- Training and awareness sessions are carried out for the Audit & Governance Committee in relation to Informal/External Audit functions, risk, counter fraud, the statement of accounts and treasury annually.
- Bishop Fleming have been appointed, by the Public Sector Audit Appointments (PSAA), as the External Auditors for the period 2023/24 to 2027/28.
- The External Auditors present regular progress reports to the Audit and Governance Committee.
- The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit & Governance Committee.
- Quarterly performance reports, including the budget position, are presented to the appropriate Member panel and Executive, demonstrating performance management against agreed performance indicators and budgets.
- The Audit & Governance Committee reviews the Annual Statement of Accounts, including the final AGS, the Treasury Management Strategy and quarterly progress reports from Internal Audit (SWAP). External Audit (Bishop Fleming) attend meetings of the committee.
- Full Council approves the annual budget and reviews and approves the Treasury Management Strategy, following recommendations from the Audit & Governance Committee.
- Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the relevant Director/Head of Service/Business Manager.

- The Annual Internal Audit Opinion for 2024/25, in respect of the areas reviewed during the year, was one of "Reasonable" Assurance, that there is a generally sound system of governance, risk management and control in place.
- The Council's Financial Rules and Contract Rules are kept under review and revised periodically, with new Contract Procedure Rules adopted in March.
- Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government & Local Care Ombudsman and reports from SWAP or Bishop Fleming are also reviewed.

5. REVIEW OF GOVERNANCE ACTION PLAN FOR 2025/2026

	Key Area of Focus	Planned Actions	Update	Responsible Officer / Date	Status
1	New service delivery models	- To complete the phase 2 transition of services - To ensure new services are embedded into the Council's culture	- Phase 2 transition of services successfully completed - New Council People and Culture Strategy adopted and action plan in place and on target. - Workplace values agreed and promoted.	Chief Executive Officer 31/03/2026	Complete
2	Council Constitution	Undertake a full review of the Council's Constitution and Scheme of Delegation to reflect the new service delivery model following phase 2 transfer of services	- Review completed following the phase 2 transition of services. - Any further changes / updates are taken through the Constitution Working Group	Director of Governance 31/03/2026	Complete
3	Business Continuity	Further develop business continuity plans to ensure they are robust and fit for purpose under the new service delivery model	A new Business Impact Assessment (BIA) Tool has been tested and is being rolled	Executive Director	This will be carried

		To test the business-critical Business Continuity Plans	out across the Council and Publica. - Managers have attended training on the new BIA and BCP - The BIA will then inform the BCP. - This action will roll forward into next financial year. Good progress is being made on the new process, and whilst this is being implemented, existing BCPs continue to be reviewed.	Corporate Services 31/03/2026	over into next FY
4	Procurement	- To ensure officers are trained and competent in the new Procurement Act 2023 - To develop a toolkit for use by officers who undertake procurement	- A toolkit has now been completed and is available on the portal. - An update has been published on the internal employee portals including the launch of a new contract register information template e-form for contracts over £5k and updated support pages.	Business Partner Procurement 31/03/2026	Complete

			• Manager training has now taken place across CDC and Publica		
5	LGR / Devolution	• To ensure the Council and our partner organisations are prepared / ready in advance of LGR / Devolution • To place our staff in the best position possible, through training, development and support. • To ensure the Council is in the best financial position possible pre and post LGR / Devolution.	• A LGR programme is in place and work programme have been established across Gloucestershire and the Council is represented on all key work programmes • The Council has considered the proposals for Gloucestershire and are supporting the one Unitary Option. • The three Gloucestershire proposals were submitted to government on 28 November 2025 • The Government will be taking a view on the proposals submitted and will make a decision on which best meets their criteria, with a	Chief Executive Officer 31/03/2026	In year actions complete.

			government run consultation run during February and March 2026 with a decision expected in the Summer of 2026. • Work is underway with Publica to consider potential options to ensure employees and services are protected. • Training, development and support is being put in place for our employees and partner employees.		
6	Service Plans	• To have service plans in place for all business areas, delivered directly by the Council and its partners	• Service plans were put in place for 25/26 • Publica have completed their 26/27 Service Plans and are available for the Council to review	Service / Business Managers 30/06/2026	
7	Council specific policies	• To ensure all Council specific policies are up to date and comply with relevant legislation	• Policies are under continual review and a number of policies which required review,	Service / Business Managers	

		To produce new policies and procedures where required.	updating or were not in place, have now been completed	31/03/2026	
8	Internal Audit	Ensure all agreed actions are completed and that any issues identified are appropriately followed up	Ongoing	Service / Business Managers 31/03/2026	Carry over as standard action

6. In preparing this statement for 2025/26 and reviewing the effectiveness of the governance arrangements as part of our continuous improvement approach, a number of areas have been identified where the Council needs to focus attention and improve arrangements over the next financial year 2026/27. These areas of work are planned to strengthen the control framework and are set out in the table below and due to be completed by 31/03/27.

Notes and key

Each action in the plan is marked with a 'traffic light' as follows:

Green	On target
Amber	Off target but action being taken to ensure delivery (where this results in a reviewed target date, this is made clear in the table)
Red	Off target and no action has yet been agreed to resolve the situation
Complete	Action has been completed

Completed actions are marked as such in the 'Date' column and are shaded grey

This action plan contains actions from the Annual Governance Statement 2026/27 which are coordinated and monitored by the CDC Management Team.

Key to officers:

Accountable Officer (AO):

CEO – Chief Executive

Jane Portman

CFO - Chief Finance (S.151)
Officer:

David Stanley

DG – Director of Governance

Angela Claridge

Publica Responsible Officer (RO):

EDWS – Assistant Director Workforce

Cheryl Sloan

Strategy & Transformation

EDCS – Exec Director, Corporate Services

Claire Locke

Risk&Gov – Risk and Governance Officer

Sandrine Mangin

	Key Area of Focus	Planned Actions	Update	Responsible Officer / Date	Status
1	Financial Sustainability	- To identify and implement efficiency savings to close the budget gap in the Council's MTFS. - To ensure CDC are in a positive financial position when Unitary Authorities are established on 01/04/2028.		Chief Finance (S.151) Officer	
2	Business Continuity	- Complete the new BIA Process for the CDC and Publica services - From the BIA, populate the new Business Continuity Plan template for all Council and Publica delivered services. - Test the business-critical Business Continuity Plans		Executive Director Corporate Services	



3	Procurement	• Review of adequacy of controls and compliance with legislation following introduction of the Economic Crime and Corporate Transparency Act 2023. "Failure to prevent fraud" is a strict liability corporate criminal offence – organisations are criminally liable if an associated person commits fraud intending to benefit the organisation, and the organisation lacks reasonable prevention measures. • Review of PO to Pay Implementation • Provision of further Mandatory Training sessions for officers and/or members		Chief Finance (S.151) Officer	
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7. APPROVAL OF LEADER AND CHIEF EXECUTIVE

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed on behalf of Cotswold District Council:

Mike Every, Leader of the Council

Jane Portman, Chief Executive

Date:

Date: