



Test Valley Borough Council

Annual Governance Statement

2025/2026

1. Executive Summary

The Annual Governance Statement provides assurance that Test Valley Borough Council has sound governance arrangements in place to support the effective delivery of its priorities and statutory responsibilities. It outlines the Council's governance framework, identifies how it is kept under review, and highlights areas for improvement.

During the year, the Council has continued to operate a robust system of internal control, underpinned by an established risk management framework, effective financial management, and clear decision-making processes. The Council's values of collaboration, integrity and pride in our local democracy remain central to the way it conducts business, with strong arrangements for ethical standards, scrutiny, and internal audit providing independent assurance to Members and senior management.

The Council has demonstrated resilience in responding to ongoing financial pressures and service demands, particularly with regard to Local Government Reorganisation, while maintaining focus on delivery against its Corporate Plan priorities. Progress has been made in strengthening partnership arrangements, digital service delivery, and organisational capacity, ensuring that risks are identified and managed effectively.

Where areas for improvement have been identified, targeted action plans have been agreed and are monitored by the Senior Leadership Team and the Audit Committee. These actions reflect the Council's commitment to continuous improvement and good governance.

The Council is satisfied that its governance arrangements remain fit for purpose and that it is well placed to meet current and future challenges.

2. Scope of responsibility

The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a 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 this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Local Code of Corporate Governance is on the council's website at: <http://www.testvalley.gov.uk/aboutyourcouncil/corporatedirection/local-code-corporate-governance>, or can be obtained from the Director of Legal and Democratic Services.

This statement explains how the council has complied, and continues to comply, with the principles underlying this code and also meets the requirements of regulation 6 of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

3. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its 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, value for money services.

The system of internal control is a significant part of that framework and is designed to manage risk. 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 ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks occurring and the impact should they happen, and to manage them efficiently, effectively and economically.

4. The governance framework

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

At the heart of the council's governance framework is the recognition that as a council we have several key roles (which have been formally recognised as part of the Local Code of Governance). These are:

- To play a leading role in partnership working, to promote the economic, social and environmental well-being of our area.
- To ensure the delivery of high-quality services to our communities.
- To be accountable to taxpayers for our stewardship and use of public funds and resources.
- To work with others to build a strong sense of community.

In fulfilling these roles, the council is committed to following the seven core principles of good corporate governance identified in the CIPFA/SOLACE Guidance, which are:

Principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values.

Principle 2 - Ensuring openness and comprehensive stakeholder engagement.

Principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits.

Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle 5 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Principle 6 - Managing risks and performance through robust internal control and strong public financial management.

Principle 7 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The council's Constitution defines the roles, responsibilities and relationships between Council, Cabinet, Overview and Scrutiny Committee, Audit Committee and other committees and review bodies.

The council has a clear vision of its purpose and desired outcomes for the short, medium and long term. These are encapsulated in its Corporate Plan, its annual Corporate Action plan, and through a range of corporate and service strategies. The council continually monitors and updates annually its Medium-Term Financial Strategy, to support the delivery of the aims set out in the Corporate Plan. Corporate and Service specific risks are subject to ongoing review and progress in managing the corporate risk register is reported to the Audit Committee on a six-monthly basis.

The Chief Executive is the council's Head of Paid Service and has overall corporate management and operational responsibility for the way in which the council delivers its services. The Director of Legal and Democratic Services is designated as the council's Monitoring Officer and has responsibilities under section 5 of the Local Government and Housing Act 1989 to report to the council if any proposal or decision on behalf of the council has given or is likely to give rise to a breach of any enactment, rule of law or maladministration. The Monitoring Officer will monitor and review the operation of the council's Constitution and ensure that the aims and principles of it are given full effect. The Director of Finance and Revenues is designated as the council's Section 151 Officer with responsibility for ensuring the "proper administration of financial affairs". The Director of Finance and Revenues also has responsibility under section 114 of the Local Government Finance Act 1988 for reporting to the council and the external auditor if the council has made, or is about to make, expenditure which is unlawful. These three statutory officers meet regularly throughout the year (plus as required on an ad hoc basis) to discuss significant corporate issues.

The CIPFA statement on the Role of the Chief Financial Officer in Local Government recommends that the Chief Finance Officer reports directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The council does not strictly comply with this requirement in that the Director of Finance and Revenues reports to the Deputy Chief Executive; however, he is a member of

the Management Team (which is the local comparison with the CIPFA Leadership Team reference). In practice, the Director of Finance and Revenues is able to report directly to the Chief Executive and Members as and when required and is involved and consulted in all matters which have financial implications for the council.

In November 2024, the council hosted a Corporate Peer Challenge, coordinated by the Local Government Association. A diverse team of experienced peers, comprising of senior local government councillors and officers, undertook a detailed review of the council's performance. The resulting report described the council as 'a high-performing council that delivers effectively for its residents, with a commendable community-first approach and a strong sense of pride throughout the organisation'. It highlighted notable strengths around leadership, the development of its workforce to work in a place-based way, its approach to partnership working and its robust governance arrangements and financial management.

A progress review took place in October 2025 which showed good progress was being made to implement the agreed actions.

Principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values.

All councillors sign up to our Code of Conduct for Elected Members, which encompasses the principles of standards in public life.

The Officers' Code of Conduct sets out the expectations of behaviour in a local government organisation. This focuses on transparency and openness, both in terms of relationships with Councillors and how any transactions with the Council should be disclosed.

The General Purposes Employment Appeals and Ethics Sub-Committee, sub-committee of the General Purposes Committee, considers matters where we need to determine an alleged breach of the Code of Conduct for Elected Members. All councillors and officers are aware of their obligations under equality legislation, as well as the standards of behaviour and language which are expected from representatives and employees of the council.

Our Values and Behaviours framework is now well-established and has been embedded through extensive staff engagement. The promotion of Equity, Diversity and Inclusion is included as a core council value, and ongoing training is provided for both Members and officers. Equality considerations including full impact assessments where necessary and appropriate are built into the council's decision-making process. The council has reviewed its corporate equalities objectives, alongside its duties under the gender pay gap publication requirements and Public Sector Equality Duty. Expectations around management standards are consistently reaffirmed by senior leaders and feature heavily in the agendas for forums which all our managers are required to attend.

The Monitoring Officer and S151 Officer review all reports that require a decision of a committee to ensure that approved actions are lawful and fully set out the financial implications to ensure compliance with Regulations and that all expenditure is lawful.

The council has detailed Anti-Fraud, Anti-Bribery and Corruption Policies which include whistleblowing. These clearly set out the roles and responsibilities of officers and Members and actions to be taken when fraud or corruption is suspected. The council has a formal complaints procedure for members of the public to raise concerns, which is a valuable source of learning and improvement. Audit Committee receives an annual complaints report which provides analysis of trends and identifies opportunities for improvement.

Occasionally, errors happen. The Council takes the opportunity to learn from mistakes, both to review whether adequate controls were in place and also to look for opportunities to improve how we do things in the future. An example of this is in the review of the complaints handling process.

Principle 2 - Ensuring openness and comprehensive stakeholder engagement.

Bringing communities together through engagement is the foundation of our community councillor model and place-based approach. We are committed to investing in this work, to ensure that we hear and serve all our residents, not just those who have the loudest voices. Inequalities can often be hidden, and we have worked hard to ensure that we hear people's lived experience through a range of techniques including deliberative engagement. This is important to ensure that our strategic decision making reflects the needs of our communities both now and in the future.

We prioritise asset-based conversations which encourage community development and form the basis of community planning for that place. This approach has made a significant impact on our corporate strategy, the distribution of resources across our area and the culture of the organisation and sets the tone for our approach to equality, diversity and inclusion. During the year, the Council approved £10M to target capital investment that will be delivered working together with our individual communities, based on their individual needs.

We have taken a highly consultative approach to delivering our significant regeneration programme in Andover, with community engagement taking place from the development of ambitions to the delivery of schemes. In Romsey, we conducted a large-scale Citizens' Assembly to shape options and gather evidence for the future of community facility provision in the town. Following consideration of the outcomes from the Citizens Assembly, further community engagement for South of Romsey Town Centre was undertaken in November 2025. Council considered the next steps for this project and approved the recommended option. This has established the main components of the scheme to be taken forward.

A cross-party Member and Community Development Group (MCDG) continues to provide a forum for senior councillors and officers to work together to further develop and embed the council's approach to working in a place-based way, in partnership

with communities. To support the work of the MCDG, the Community Councillor Reference Group (CCRG) has also been established. The CCRG is a cross-party group of councillors and brings a broader group of councillors together to develop the community councillor model and approach to place-based working alongside MCDG. Together, they test and pilot new areas of work that support councillors in their role working with local communities.

To support our work with external partners, we convene the Test Valley Partnership twice a year to bring together the key partner agencies from across the public and voluntary and community sector. It provides a place in which the key strategic issues facing the borough can be discussed, joint work developed, and statutory duties (such as community safety) met. Our two town-based partnerships - Andover Vision and Romsey Future – help ensure that the council is able to engage stakeholders in those towns openly and consistently and foster stronger community-to-community links and learning.

Regular away days are held to bring Cabinet together with Management Team to align strategy and performance. Annual away days are held with both the Overview and Scrutiny Committee and Audit Committee, to shape work programmes and ensure that we have the right approach to ensure council business is properly scrutinised and audited.

Principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits.

The Council's corporate plan, developed in partnership with communities, sets out the outcomes we seek to achieve over the four-year duration of the plan, and details the benefits we hope to secure by delivering them. This is supported by an annual Corporate Action Plan which sets out which specific programmes the council will prioritise over the year to deliver those outcomes. Each service has an annual plan which details how each service will play its part to achieve the outcomes, with

progress monitored and assessed under the council's Performance Management Framework.

One of the fundamental principles the Council is determined to promote as part of Local Government Reorganisation (LGR) in Hampshire and the Solent is the importance of neighbourhood governance and developing sustainability of our varied local communities. The approach is rooted in the belief that local government works best when communities help define issues, shape solutions and share ownership of outcomes. It is characterised by mindset change, long-term relationships and genuine collaboration and underpinned by a place-based collaborative culture which puts communities before organisation. Working closely with Collaborate CIC, the Council has developed 'Neighbourhood Governance in Practice' model that sets out the key enabling conditions for effective neighbourhood governance.

To gain deeper research-led insight into the benefits of what we do and how we work, the council continues to strengthen its partnership working with the University of Southampton, particularly around how we bring partners together around key strategic issues and embed research to strengthen evaluation and impact of our work on key priorities for our communities. During the last year an initial evaluation of the Health Hub has been completed and published with work also ongoing to build an evaluation framework for our community wellbeing worker pilot. An innovative community researchers project has taken place in two of our rural villages with report and learning event having taken place.

The council approved its first climate emergency action plan in 2020, with an updated action plan approved in November 2024. It concentrates on what the council can do to make a difference, both to council and borough wide emissions.

The action plan is reviewed and monitored in line with the Corporate Action Plan process and will continue to develop as our understanding increases of emission reduction and the most effective ways to do this. The Council will continually monitor and evaluate the progress of this action plan against the intended outcomes, and review and refine it based on lessons learnt and from assessing actions from other councils.

Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.

The objectives of the Council's Corporate Plan were developed after extensive public engagement. This helps set the focus for determining the necessary interventions for the plan's period.

The Medium-Term Financial Strategy is updated annually and takes the Corporate Plan priority projects as its starting point for determining where essential funding decisions are required. This ensures the optimisation of resources to meet the Council's goals.

The council has a robust set of processes to develop, monitor and evaluate the interventions required to achieve our intended outcomes. Examples from this year include the Overview and Scrutiny Committee's programme of work which has included delivering two housing panels, which focused on exploring the interventions and opportunities to improve the supply and user experience of affordable housing which resulted in a number of recommendations to Cabinet; the implementation from April 2025 of the recently reviewed Council Tax Support Scheme, which was undertaken as part of an Overview and Scrutiny Committee panel; and a new Digital Strategy and commencement of a scrutiny-led Digital Inclusion Panel which will help to inform the development of the council's onward approach to digital. In developing its work programme, the Overview and Scrutiny Committee comes together for an annual away day where it discusses and explores the topics it would like to focus on. This session also regularly involves external input from the Centre for Governance and Scrutiny who are able to provide councillors with wider insight and perspectives on how they can ensure that the work of scrutiny can play a key policy development role in supporting the council in delivering against its corporate priorities.

More widely, the council seeks to use its role in the local area to encourage the right interventions from partners to address community needs. For example, the council established a Joint Prosperity Board with Hampshire County Council which focuses

on addressing local needs within the wider strategic environment of delivering regeneration, rural sustainability, integrated healthcare and economic development. Similarly, the council works with the Environment Agency, Southern Water and utility companies through the Test Valley Resilience Forum, seeking to create the conditions for local people and key agencies to address issues of flooding and water pollution that have had major impacts on our communities. Rural communities, like their urban counterparts, play a critical role in the economic fabric of the county and we recognise that interventions are required in this space in order to achieve the outcomes set out in our corporate plan.

As part of a transformation programme, all departments are actively planning for how services can be developed in different ways to meet changing resident expectations. This includes enhanced use of technology as well as more fundamental changes that will make our services clearly available to people when they need them most.

Principle 5 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

As part of putting our values into action the council has embedded a new appraisal process, in response to feedback from staff about how we could improve the process. It is linked more clearly to our values with a stronger alignment between personal objectives and service plan priorities. The purpose is to enable everyone to pull together in the same direction and make a clearer connection between personal, team, service and council-wide goals.

An ongoing programme of leadership development is available to senior managers via the Senior Managers' Forum (SMF), which meets regularly as a group and in smaller Action Learning Set cohorts.

Over the past year, the group has worked with The Leadership Forum, challenging itself to consider how the Council approaches and delivers transformational change.

We prioritise bringing people together regularly to reflect, network, and innovate. This year we hosted two Leadership Conferences, where external guest speakers shared their personal and professional leadership journeys. More than 100-line managers attended the conference, demonstrating our wider commitment to developing leaders at all levels.

We also ensure that our operational workforce is properly trained and developed, with the embedding of our values and behaviours a priority. Service days are delivered in a structured, planned and inclusive way and focus on how corporate priorities relate to team and individual objectives.

Cross-party working and the alignment of our councillors and officers on our strategic priorities is key part of our culture at Test Valley. Developed over many years, built on trust, respect, transparency and a commitment to local democracy. Our community councillor approach sets the tone for how we work together to deliver for our communities and created the foundations to enable our politicians work across party lines where there is clear alignment around community need.

We invest time in developing and strengthening our councillor and officer relationships. Working directly with councillors to develop their community role and supporting innovation through our Member and Community Development Group (MCDG) has been key to our organisational stability.

To ensure councillors have the appropriate skills and knowledge to carry out their roles, they receive a comprehensive induction followed by a rolling councillor development programme for the four-year term which the MCDG reviews regularly. Councillors receive updates in the weekly Councillor Bulletin about internal and external training opportunities and can provide feedback on areas they want to develop. Councillors also meet with the Democratic Services team to identify any bespoke individual training needs.

Principle 6 - Managing risks and performance through robust internal control and strong public financial management.

Risk management is embedded within the council's processes, and risk registers are established at a Corporate and Service level and managed for all major projects. Officers, working with the Audit Committee, have continued to evolve the way that the Corporate Risk Register is presented and how evidence of actions planned to mitigate current risks are progressed. A Management Team Corporate Risk Register workshop is held twice a year.

The Cabinet reviews the overall performance of the Corporate Action Plan annually and the council's Management Team reviews progress on a regular basis, also acting as the programme board for key areas such as Regeneration and Climate Change. This enables the active performance management of the Corporate Action Plan and ensures that the council is allocating resources in the most effective way. Each year, the Leader of the Council makes a presentation to the Overview and Scrutiny Committee to report on progress made during the year. This forms the basis of an annual update report that is published on the council's website.

The council continually monitors and updates annually its Medium-Term Financial Strategy, to support the delivery of the aims set out in the Corporate Plan. The Strategy continues to show a balanced budget with ongoing budget control measures in place with services. Councillors are closely involved in the Budget process, including via the Overview and Scrutiny Committee's budget panel. The quality and value for money of services provided to users is measured through the authority's performance management framework.

The LGA Peer Review report found that "the council has embedded its Performance Management Framework, which has now been in place for a full year. All Directors hold monthly performance reviews with managers, feeding into four-monthly corporate oversight sessions."

The Council reports its revenue budget position on a quarterly basis and capital programme three times per year. This demonstrates progress against budget at each interval and allows budgets to be re-profiled where necessary.

The Internal Audit function was delivered through an in-house team throughout 2025/26. The team operated in accordance with the Global Internal Accounting Standards and reported regularly to the Audit Committee on progress against the Audit Plan and to highlight areas where control weaknesses and areas for development had been identified.

One area of non-conformance with the CIPFA guidance was addressed in the year, with the appointment of a non-voting independent member of the Audit Committee. The independent member was appointed from the September 2025 meeting and has added a breadth of experience and different perspective to the Audit Committee's function.

The conduct of day-to-day council business is regulated through policies and procedures such as Contract Standing Orders and Financial Procedure Rules. The delegations to Members and Officers are kept continually under review and revised as appropriate.

A comprehensive set of Human Resources policies ensures compliance with employment legislation and promotes good personnel practices. These include disciplinary and capability processes to deal with conduct or performance which is unacceptable. These policies and procedures are regularly reviewed and revised.

Principle 7 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The chief executive, deputy chief executive, section 151 officer and monitoring officer have developed the Statutory Officers group to have a much deeper focus on all aspects of the council's governance arrangements, with a focus on continuous

improvement and learning. Collectively, they are developing a programme of work that will embed good governance across the organisation.

This has included bringing together officers at the start of their careers to undertake a study on why other local authorities had failed and where governance had been a factor. This led to a series of workshops being delivered to all managers, covering areas such as budgetary control; the Council's political structure; procurement; risk management; complaint handling; and lessons learned from examples of failure in other councils.

We have a strong and focused Overview and Scrutiny Committee, the Chair of which is a minority group member, helping to ensure transparency in the scrutiny process. The Committee has continued to exercise its scrutiny function, ensuring that the council has the right policies in place, and is making the best decisions for local people. The Committee has also played an important role in helping to develop the council's strategic priorities, undertaking important policy development reviews and spearheading work on behalf of full Council on topics such as our response to the climate emergency. Councillors develop the work programme through annual away days to agree the areas they would like to focus on to inform policy development. Examples include the Council Tax Support Scheme, affordable housing and regeneration and our approach to community and place-based working.

We maintain a forward plan for upcoming cabinet meetings, including non-key decisions, but ensuring that we capture key decisions and publicise them as necessary, or, if appropriate, seek an exemption. We publicly broadcast all council and committee meetings via an audio stream. We operate a public participation scheme allowing members of the public to speak at all public committee and sub-committee meetings.

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 within the authority who have responsibility for the development and maintenance of the governance environment, the annual report of the Internal Audit Manager, and also by comments made by the external auditor and other review agencies and inspectorates.

Throughout the 2025/26 financial year, the council's Internal Audit team, located within the Finance and Revenues Service, undertook reviews of the council's systems to provide independent assurance that the control environment is effective in achieving the council's objectives. The team objectively examined, evaluated and reported on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the authority's resources. The performance of the Internal Audit team is monitored by the council's Audit Committee. The team has an indicator to achieve 90% of the Audit plan, the actual result was 100% for 2025/26.

There have been no limitations or restrictions on the audit plan coverage or scope of the work undertaken during 2025/26 which could have a negative impact on the opinion. There have been no impairments to the objectivity or independence of the Audit team except for risk management which is facilitated by the Internal Audit Manager. Measures are in place for the audit of risk management to be undertaken by the Senior Auditor, reporting directly to the Director of Finance and Revenues.

The standards for proper practices within the internal auditing profession applied during 2025/26 were the Global Internal Audit Standards and Application Note "Global Internal Audit Standards in the UK Public Sector" which together form the basis of UK Public Sector Internal Audit. The Standards require that, as part of a Quality Assurance Improvement Programme, internal and external assessments are undertaken. An internal self-assessment was undertaken in February 2026 against

the Standards which confirmed that the Internal Audit function “Generally Conforms” to the Standards.

The Internal Audit Manager is required to provide an annual Internal Audit Opinion, based on an objective assessment of the Authority’s framework of governance, risk management and control. The Internal Audit Manager has provided a “Substantial Assurance” opinion for 2025/26. “Substantial Assurance” means that systems in place are generally sound, but some control weaknesses and best practice developmental areas have been identified to strengthen the council’s governance arrangements. The opinion is largely based on the completion of an annual risk-based internal audit plan which was approved by the Audit Committee. Specific areas which were given limited assurance were reported to the Audit Committee and appropriate action plans agreed with management. There is a regular follow-up process to monitor the implementation of agreed actions.

The council is regularly audited by independent external auditors (Ernst and Young LLP) who examine the council’s accounts and financial systems and present their Annual Audit Report to Members, the latest available covering the financial year 2024/25.

Due to issues at a national level to resolve backlogs in public sector audit opinions, EY issued a disclaimed opinion on that year’s accounts. This is not an indication that there are weaknesses in the council’s processes or that there is a greater likelihood of material error in the accounts, though weaknesses in evidence to support some asset valuations were noted in their conclusion. This has been addressed for the 31st March 2026 valuations. EY have, however, been able to issue a value for money statement in respect of the 2024/25 financial year which identified no weaknesses in the council’s financial sustainability; governance; or efficiency and effectiveness.

Although not affecting governance in the 2025/26 financial year, this statement sets out a change to the delivery of Internal Audit functions with effect from April 2026. The Internal Audit work programme will be delivered by Southern Internal Audit Partnership, a third party with extensive experience in delivering this work across Hampshire and neighbouring counties.

5. Areas for improvement

In line with the council's commitment to continuous improvement, the following areas will be included in the action plan for 2026/27, attached to this document:

Local Government Reorganisation – LGR brings an array of opportunities and challenges that will need to be addressed in a very short timescale. It will be essential to ensure sufficient capacity is identified to look forward to challenge ways of working and how services are delivered in a resident-centred way in the new authorities, whilst also planning for the requirements of managing an effective transition to the new authorities.

Use of data in decision making – Improve how the council uses data and insight to guide decisions and design more preventative, person-centred services as we move towards developing the new unitary council with our partners.

Action to be taken:

Explore how to use data and insight to help the council move from mainly looking retrospectively at activity and performance, towards using information to:

- understand patterns, demand and risk earlier
- target support more effectively
- design services that prevent problems from escalating
- make better long-term choices about investment and capacity

This supports the council's ambition to work in a more preventative, place-based and evidence-led way, while remaining transparent, proportionate and compliant with information governance requirements. Establish our current data position with a data maturity assessment and explore use cases through practical test, learn and grow experiments.

Compliance with Contract Standing Orders and Contract Management – a Corporate Governance internal audit review identified that good progress has been made in providing training to officers who procure goods and services on behalf of the Council. However, it was recommended that this training be expanded to cover

more bespoke procurement needs in services and wider contract management issues.

Build Back Assurance in Audit Reporting – the 2024/25 external auditor’s opinion on the Statement of Accounts was disclaimed. One area of weakness that led to this conclusion was incomplete information to support asset values for Property, Plant and Equipment assets shown in the balance sheet. Work has been undertaken to resolve this issue and this will be tested as part of the 2025/26 audit.

Declaration

We have been advised on the implications of this review of the effectiveness of the governance framework and of any significant governance issues. A plan to address weaknesses and ensure continuous improvement of the system is in place as shown in the attached annex.

We propose over the coming year to take steps to address these matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: Signed:

Leader of the Council

Chief Executive

Governance Actions for 2026-27

No significant governance issues have been identified. The following are best practice developmental areas to strengthen the council's governance arrangements.

Issue	Action to be Taken	Timescale	Lead Officer
<p>Local Government Reorganisation</p>	<p>Using evidence-based examples to influence the way that new unitary authorities are established to ensure best practice in governance following reorganisation.</p> <p>Ensure that financial planning provides sufficient capacity to enable the effective delivery of the LGR programme.</p>	<p>Ongoing</p>	<p>Chief Executive</p> <p>Director of Finance & Revenue</p>
<p>Use of Data in Decision Making To progress next step following initial desk research undertaken to understand what the council's peers are doing to gain service-user feedback.</p>	<p>To review in line with deliberative techniques, against the Performance Management Framework to develop a set of parameters that can be proposed to Management Team for consideration.</p>	<p>30/09/2026</p>	<p>Director of Strategy & Innovation</p> <p>(source: Internal Audit Corp Governance review 2025/26)</p>

<p>Compliance with Contract Standing Orders</p> <p>Address control weaknesses identified in procurement and contract management.</p>	<p>Progress specific targeted procurement training covering all contracting officers as a mandatory requirement</p>	<p>30/09/2026</p>	<p>Director of Finance & Revenues</p> <p>(source: Internal Audit Corp Governance review 2025/26)</p>
<p>Build Back Assurance in Audit Reporting</p> <p>Take measures to ensure the Council can move away from disclaimed audit opinions</p>	<p>Update baseline information related to Property, Plant & Equipment valuations for Statement of Accounts</p>	<p>30/06/2026</p>	<p>Director of Finance & Revenues</p> <p>(source: 2024/25 external audit opinion)</p>