TITLE: Annual Governance Statement 2025/26- First Draft

Committee: Audit Committee

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Issue

1. Presentation of the first draft of the Annual Governance Statement 2025/26 for further member consultation.

Recommendations

2. Members are requested to instruct the Chief Executive to formally consult with members and substitutes of the Audit Committee to enable a final draft to be presented to the next meeting in October 2026.

Background/Options

3. The Audit and Account Regulations 2015 requires the Council to produce an Annual Governance Statement (AGS) to accompany the Statement of Accounts. The AGS summarises the extent to which the Council is complying with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead. The final statement will be signed by the Chief Executive and the Leader of the Council.

4. The AGS is an important statutory requirement which enhances public reporting of governance matters. It should therefore be honest and open, favouring disclosure.

5. The draft AGS has been compiled using sources of evidence, including:

    - A review of the extent to which the Council has complied with each element of its Code of Corporate Governance;
    - Self-assurance statements prepared by Service Leads;

6. The Chief Internal Auditor's opinion on the Council's internal control environment during 2025/26, which is also being formally reported to the Audit Committee at this meeting.

7. The Statement is prepared in accordance with guidance from the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The guidance states that the AGS should include:

    - The Council's responsibilities for ensuring a sound system of governance;

- An assessment of the effectiveness of key elements of the governance framework, and the role of those responsible for the development and maintenance of the governance environment;
- An opinion on the level of assurance that the governance arrangements can provide and whether these continue to be regarded as fit for purpose;
- The identification of any significant governance issues, and an agreed action plan showing actions taken, or proposed, to deal with significant governance issues;

8. A conclusion demonstrating a commitment to monitoring implementation through the next annual review.

9. Although the 2025/26 Annual Governance Statement relates specifically to April 2025 to end March 2026, it also includes future actions and priorities:

    - Appendix 1 (Draft 2025/26 AGS) includes
        - 'Development in 2025/26' column detailing in year progress in meeting the agreed principles;
        - 'Focus and further developments for 2026/27 as a footer to each agreed principle outlining priorities in 2026/27 (i.e. the current financial year).

10. The "Review of effectiveness" section seeks to collate the sources of assurance available, including the independent audit opinion and those of other inspection agencies. This also reflects upon the role of the Audit Committee.

Arguments/Conclusions

11. Appendix 1 details the first draft of the Annual Governance Statement 2025/26 for Member consideration. Consistent with the process introduced for the 2021/22 statement, Members and substitutes of the Audit Committee will have the opportunity to make individual responses to inform the final draft. A summary of all the comments received will be reported to the Committee together with a response from the Chief Executive. Any comments / input should be sent to the Chief Executive by the week ending 11 September 2026.

Additional Implications Assessment

12. In the table below, please put Yes or No in each box:

Financial Implications **No**	**Legal Implications** **No**	**Human Resources (HR) Implications** **No**
Equality Impact Assessment (EIA) **No**	**Carbon Impact Assessment (CIA)** **No**	**Data Protection Impact Assessment (DPIA)** **No**

Appendices

Appendix 1- Annual Governance Statement 2024/25 – First Draft

Background documents

None.

Appendix 1

East Cambridgeshire District Council

Draft Annual Governance Statement 2025/2026

1. Scope of responsibility

1.1. East Cambridgeshire District Council (ECDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

1.2. East Cambridgeshire District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the ways in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.3. In discharging this overall responsibility, East Cambridgeshire District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and this includes arrangements for the management of risk.

1.4. East Cambridgeshire District 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 Code is included on our website at Code of Corporate Governance 2016 V4.

1.5. This statement explains how East Cambridgeshire District Council has complied with the principles of the code and meets the requirements of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, which require all relevant bodies to prepare an Annual Governance Statement.

1.6. This Annual Governance Statement outlines the council's governance framework and provides an assessment of how the council has complied with the principles and sub-principles of the Code of Corporate Governance during the year.

2. The Governance Framework

2.1. The council's governance arrangements comprise of systems and processes, and culture and values. The systems and processes which are in place to ensure that adequate controls are in place, and culture and values, by which the council 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, cost-effective services.

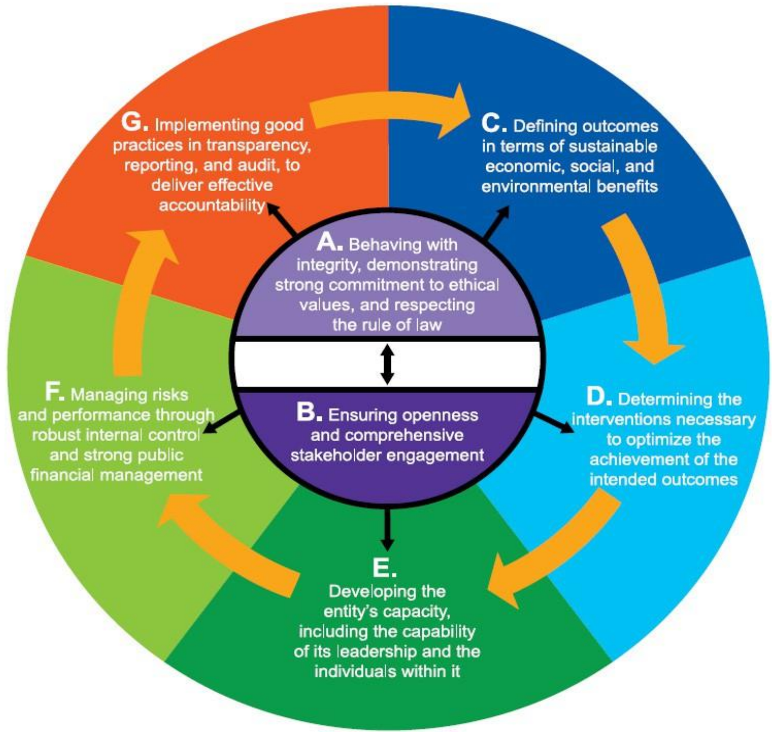
2.2. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of East Cambridgeshire District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3. The governance framework incorporated into this Annual Governance Statement has been in place at East Cambridgeshire District Council for the year ended the 31st of March 2026, and up to the date of the approval of this statement.

2.4. All service leads are responsible for producing their own assurance statements and where relevant for mitigating identified risks and governance weaknesses as part of the Service Planning process. The areas of governance reviews include but are not limited to legislative compliance, project management, risk management, conduct and conflicts of interest.

3. The delivering of good governance

3.1. The CIPFA/Solace Delivering Good Governance in Local Government Framework sets out the 7 principles of delivering good governance in local government. The principles are set out as follows:



- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- ensuring openness and comprehensive stakeholder engagement
- defining outcomes in terms of sustainable economic, social, and environmental benefits
- determining the interventions necessary to optimise the achievement of the intended outcomes
- developing the entity's capacity, including the capability of its leadership and the individuals within it
- managing risks and performance through robust internal control and strong public financial management
- implementing good practices in transparency, reporting and audit, to deliver effective accountability

4. Key elements of the Governance Framework

The following is a brief description of the key elements of the systems and processes that comprise the council's governance arrangements, including any developments in 2024/2025 and areas of focus for 2025/2026.

East Cambridgeshire District Council

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

Key element	How the council achieves this	Development in 2025/2026
Maintaining codes of conduct which define standards of behaviour for elected Members and staff, ensuring that policies are communicated effectively, and reporting/ investigating any allegations of breaching these Codes.	The Constitution contains a Members' Code of Conduct, which is underpinned by the Principles of Public Life. Members are required to complete a 'Declaration of Interest' which is published on the website for transparency. The council has appointed independent persons to assist with the handling of councillor complaints and the wider promotion of good councillor conduct. There is a separate employee code of conduct, which is supported by HR policies and procedures. Codes, policies and procedures are shared with new employees as part of the induction process. The council has a whistleblowing policy, which is available to employees, and provides a route for raising concerns in confidence. Whistleblowing mailbox is monitored by the Monitoring Officer (MO).	During 2025/2026, there was one Code of Conduct complaint against a councillor, which was resolved informally. There were no whistleblowing reports in 2025/2026.
Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.	Corporate policies and strategies, which are regularly reviewed, are available on the council website. The Constitution contains responsibilities for functions of the Council, Policy Committees, Regulatory Committees and other Committees, Joint Committees and Other Partnership Bodies. It also contains Proper Officer Functions and Rules of Procedure. The Monitoring Officer advises whether decisions are in accordance with the Constitution, and a summary list of responsibilities are included in a Monitoring Officer Protocol. The council ensures compliance with established policies, procedures, laws and regulations through several channels. The Chief Executive is responsible and accountable to the council for all aspects of operational management. The Director Finance and S151 Officer is responsible for ensuring that appropriate advice is given on financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control. The Legal Services Manager is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. The Localism Act 2011 requires the council to prepare a Pay Policy Statement for each financial year. The statement must be prepared and approved by the end of March each year. The 2026/2027 pay policy was approved by council in February 2026. Service leads are asked to provide annual assurance that they have promoted relevant policies and ensure that all staff are aware of relevant requirements and exercise due controls. Statements have been received from all service leads in relation to 2026/2027 and assurances provided, that policies and procedures have been suitably promoted across the service and staff are aware of key policies, procedures and expected standards (including the receipt of gifts and hospitality, contract procedure rules and the code of conduct). The Monitoring Officer issues reminders on the recording of gifts and hospitality via email to all staff, twice yearly. Staff are required to declare gifts, and business relationships, financial/non-financial interests that could conflict with the council's interests. The Digital Services and Information Manager provides GDPR/Data Protection/Freedom of Information training for all staff on a yearly basis, including training at corporate induction and when new changes take place, to ensure staff are kept up to date and are aware of their responsibilities. Contract Procurement Rules training is mandatory for all service leads at least once every three years.	During 2025/2026, the HR team updated four HR policies: Disciplinary Policy, Grievance Policy, Capability Policy and Induction and Probationary Period Policy. Annual Infrastructure Funding Statement completed, detailing CIL and S106 projects, income and expenditure. As part of the new waste service, the Waste Collection Service Standards were developed. These standards incorporate the requirements of Section 46 of the Environmental Protection Act and provide guidance on waste collection service expectations. As part of their statements, service leads have provided assurance that they have maintained an up-to-date understanding of the legal requirements relevant to their service areas. They have also identified any anticipated legislative changes that may require action or consideration during 2026/27. Six officers have recently undertaken 'Train the Trainer' training for our new procurement software platform, In-Tend.

Focus and further development for 2026/2027

The Government is expected to make a final decision on the preferred Local Government Reorganisation option in summer 2026. Subject to this decision, the new councils are expected to operate in a shadow capacity from May 2027.

Review of the Corporate Enforcement Protocol.

Refresher training on officer decision recording.

Principle B, ensuring openness and comprehensive stakeholder engagement

Key element	How the council achieves this	Development in 2025/2026
Documenting a commitment to openness and acting in the public interest.	There is public access to all committee meetings except for items which are of a confidential nature. The council continues to be committed to ensuring that members of the public are involved in the decision-making process. There are specific schemes in place to allow members of the public to speak at both Planning and Licensing Committee meetings, and the council has also issued general guidance on public question time at other meetings, including Full Council. To demonstrate its openness, the council also publishes on the website the Constitution, Council and Committee agendas, reports, minutes and decision lists. The council publishes on its website the recommended datasets in accordance with the Local Government Transparency Code 2015 issued by the Department for Communities and Local Government in February 2015. To demonstrate its compliance with the Public Sector Equality Duty, the council produced and published an Equality, Diversity and Inclusion Monitoring Report which presents an analysis of the following areas: • equality objectives • service delivery • equality impact assessments • complaints and satisfaction • access to information • equality in employment • gender pay gap • progress against the 2025 to 2028 Equality Action Plan • the council's commitments for 2025 to 2028 This is published on the council's website. 'The Importance of Equality, Diversity and Inclusion' is compulsory training for all staff.	All committee meetings are streamed live to YouTube from the Council Chamber, and remain on the council's YouTube channel afterwards, which has increased accessibility to members of the public. There have been no technical issues reported this year. Accessible documents relating to council and committees on council's website through redesign of agenda and report templates. Website and Intranet Governance approved by CMT in March 2026. Completion of the council's corporate website and intranet project, compliant with WCAG 2.1 and WCAG 2.2 accessibility standards.

Key element	How the council achieves this	Development in 2025/2026
Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability, and encouraging open consultation.	Residents are regularly informed about the council's activities through the council website, and collaborative work with the local media and social media. The council's Customer Charter states that customers are at the heart of everything we do and that feedback on our services is welcomed. The council has adopted a Constitution which sets out how the council operates, how decisions are taken and the procedures which should be followed. Adopted Community Engagement Strategy 2024-2028. The council undertakes regular consultation exercises, including small focus groups of customers, large-scale questionnaires and face-to-face surveys. A Register of Consultees is held which gives individuals, community groups and associations the opportunity to consider new or revised policies, strategies or functions and to express their opinions, concerns and make suggestions. To encourage as wide a participation as possible, an invitation for further individuals to join the register is included in the Consultation section on the council's website. The Statement of Community Involvement 2023 (SCI) sets out how the council involves and consults with the public and wider stakeholders when planning for future local development across the district. This is published on the council's website and covers consultation arrangements in respect of planning applications and planning policy matters, including the preparation of the Local Plan. Creation of a new Spatial and Address Management Service department, which will be responsible for GIS and the Asset Register. Regular media releases are used as a means of keeping residents of the district informed of current and upcoming issues and council decisions. The council endeavours to ensure that all communications with the public are accessible to all by providing a translation service, large print and braille. All published/printed communications meet WCAG 2.2 statutory accessibility regulations. Equity of participation and wider social outcomes (for example in health) are fundamental principles of the council's leisure service provision and are reflected in service specifications and the physical activity programme. The Healthy You Programme is based on community engagement and specific user feedback forms, part of the evaluation process.	In 2025/26 the Communications Team worked closely with the Waste Team and East Cambs Street Scene (ECSS) regarding the introduction of the new waste service. The Community Engagement Toolkit has been updated in 2025, informed by community engagement and feedback. Youth engagement has taken place throughout 2025/26, including a Youth Fusion event in summer 2025. Public Consultation taking place for the Bereavement Centre Environmental Permit. Implementation of the new vehicle-related Anti-Social Behaviour PSPO. The Register of Consultees was promoted both internally and externally in 2025. A Register of Consultees toolkit has also been produced and promoted internally. Stakeholder and public consultation for the PSPO Anti-Social Behaviour driving. Changes to Healthy You funding in December 2025 has brought reporting changes and service reviews. Development Services to re-commence the planning agents panel, to be held twice a year and feedback utilised to address and update concerns/processes.

Key element	How the council achieves this	Development in 2025/2026
	Stakeholder engagement has taken place throughout the Lake View Bereavement Centre project, which will remain essential leading up to the opening and foundational operations of the centre. Bereavement centre to be an inclusive and accessible environment for all users, with consideration to equality, diversity and environmental impacts. Continued Landlord engagement through both the Housing Department and Environmental Services. This includes forums, bulletins, social media updates and provision of resolution services. The Communications Team has a close relationship with all parish councils, with regular communications and a dedicated parish council newsletter. Councils across Cambridgeshire and Peterborough developed and submitted proposals to government in November 2025, and government is now consulting on these options	Economic Development continues to work in partnership with the Chamber of Commerce and the Cambridgeshire and Peterborough Combined Authority (CPCA) to support the delivery of the Enterprise Zone development and the implementation of the Local Growth Plan. A Planning Service Customer Charter and Negotiation Protocol have been developed to enhance clarity and transparency regarding the operation of the service. Regular communications have been undertaken regarding Local Government Reorganisation. Information has been shared with residents, stakeholders, councillors, and staff through a range of communication channels.

Focus and further development for 2026/2027

As part of Local Government Reorganisation, ensure that comprehensive and accessible governance documents are prepared and published, including interim constitutions, schemes of delegation, and clear committee structures and decision-making arrangements.

Development of a customer feedback form for Building Control to be added to the website in summer 2026

Promotion of Planning customer satisfaction surveys to be reviewed alongside Planning Agent Forums to gain feedback on the planning service.

Accessibility on the corporate website and intranet to be improved further with a review of PDF documents, adapted to html where possible

Update the Statement of Community Involvement, to reflect the adoption of the October 2023 update to the Local Plan, the implementation of the LURA and the impact on plan making.

Integration of IT systems to allow performance and insight reporting.

Consideration of council owned public spaces being transferred to town/parish councils 2026/2027.

Services to work proactively with Legal Services and the new Spatial and Address Management Service to ensure the accuracy and completeness of the asset register in readiness for Local Government Reorganisation.

Principle C, defining outcomes in terms of sustainable economic, social, and environmental benefits

Key element	How the council achieves this	Development in 2025/2026
Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.	The Corporate Plan for the period 2023 to 2027 was approved by council in July 2023. It contains three themes which set out the main areas where the council will concentrate work over the period: • sound financial management • cleaner, greener East Cambridgeshire • sustainable communities Within each of these themes the council set out the priorities for the year. Details of all the above, together with any committee reports referred to in this statement, can be found on the council's website. The Medium-Term Financial Strategy (MTFS) is presented to council on an annual basis to support the budget papers and the Corporate Plan. The MTFS sets out the level of savings that need to be achieved over the medium term. Savings plans and income generation targets are developed to achieve the budget requirement set out in the MTFS. The council's Environment Policy (2024) confirms that the council is committed to acting on urgent environmental issues facing the district and the wider world. The Policy is supported by the Climate and Nature Strategy 2024 to 2028, together with an annual commitment of Top 20 Actions. Mandatory Carbon Impact Assessments (CIAs) and Equality Impact Assessments (EIAs) are undertaken for policy development and decision making. The completed assessments are published on the council website.	Climate and Nature Strategy 2024 to 2028 approved. Top 20 actions for 2025/2026 identified. Integrated work with CPCA considering devolution relating to the Local Growth Plan.

Key element	How the council achieves this	Development in 2025/2026
Translating the vision into courses of action for the authority, its partnerships and collaborations.	Service Delivery Plans are reviewed every year in line with any changes to the corporate priorities and in accordance with the development of the budget to ensure the necessary resources are in place for their delivery. 2025/26 performance reporting against Service Delivery Plans was reported to respective committees. Staff appraisals and performance reviews are linked to corporate and service level plans. Where commissioned services are delivered jointly with partners this is reflected in service delivery plans and performance against both service delivery targets and budgets are monitored. There are service contracts in place between the council and its trading companies. In addition, the council, through the respective Shareholder Committee, approves each trading company business plan. There is a shareholder agreement in place between the respective companies and the council. The Equality, Diversity and Inclusion Policy set out the council's commitment to an inclusive and supportive environment for staff, Members, contractors and visitors that are free from discrimination. New Community Safety related statutory duty action plan to complement the existing ECDC Prevent Action plan. Grant funding is utilised to support health initiatives and to offer value for money services to residents to combat health inequalities. Compulsory training for all staff on 'Understanding the Safeguarding of Children, Young People and Adults at Risk', PREVENT training and Domestic Abuse. Domestic Abuse Housing Alliance (DAHA) accreditation for the housing and community advice team. Local Enforcement Plan adopted in March 2023 details how planning compliance is achieved.	Service Delivery Plans reviewed and approved by committees in March 2026, with 6 monthly progress updates. Health and Wellbeing strategy action plan has been monitored and reviewed throughout the year. The Waste Collection Service Standards have been published on the council's website to provide transparency and clarity for residents and to support improved engagement. Community Fund grants of up to £1,000 are provided to support new and existing projects that enhance the quality of life for East Cambridgeshire residents. Shared Prosperity Business Grants, totaling £165,000, were awarded to businesses across East Cambridgeshire during 2025. Policies and procedures reviewed and updated in line with the Renter's Rights Act 2025.

Focus and further development for 2026/2027

HR is awaiting publication of the updated Equality and Human Rights Commission (EHRC) Code of Practice, following the Supreme Court ruling in For Women Scotland Ltd vs The Scottish Ministers. Relevant policies will be reviewed once the updated guidance is issued.

Review and implement any required changes arising from the Employment Rights Act 2025, which received Royal Assent in December 2025.

With the Healthy You and Public Health contracts coming to an end and uncertainty regarding the new contract arrangements, the service may be impacted by changes to contract management and service delivery across East Cambridgeshire.

Further revisions to Biodiversity Net Gain system anticipated in 2026.

Policies and procedures have been reviewed and updated in line with the Tobacco and Vape Licensing Act, which received Royal Assent in May 2026.

Principle D, determining the interventions necessary to optimise the achievement of the intended outcomes

Key element	How the council achieves this	Development in 2025/2026
Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.	The council's decision-making framework is set out in the council's Constitution including an effective scheme of delegation. The council's Constitution is kept under continuous review in line with best practice. The Constitution includes the Shareholder Committee roles of the Finance and Assets Committee and the Operational Services Committee for the East Cambridgeshire Trading Company (ECTC) and East Cambridgeshire Street Scene (ECSS), respectively, and the Anglia Revenues Partnership Joint Committee. Business Continuity Management arrangements are in place to support delivery of services and outcomes in the case of unforeseen events. The council ensures the robustness of its data quality through Records Management Guidance and mandatory annual Data Protection training, requiring all data to be accurate, reliable, timely, relevant, complete, and secure.	Procurement support was informally provided through North Northamptonshire Council in 2025/26, enabling ECDC to ensure procurement compliance and supporting preparations for Local Government Reorganisation. This arrangement was formalized on 1 June 2026.
Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.	Performance management in the council is based on the Corporate Plan priorities supported by Service Delivery Plans. The council's 2 Policy Committees (Operational Services and Finance and Assets) approve and monitor performance against Service Delivery Plans. A summary of the overall performance of the council, linked to the promises detailed in the Corporate Plan, is included in the introduction to the Statement of Accounts. The council has established a robust financial planning process which includes a Medium-Term Financial Strategy, frequent budget monitoring reports for officers and quarterly budget monitoring reports for Policy Committees. Customer satisfaction surveys are carried out by numerous services, including Home Improvement Agency (HIA), Environmental Services, Customer Services. Feeback is reviewed and service improvements are made in relation to this. The Economic Development team have a specialised Customer Relationship Management (CRM) system which is continually developed to support service delivery. The approved Homelessness and Rough Sleeper Strategy 2025, sets out the council's strategy and action plan from 2025-2030, in accordance with the Homelessness Act 2002. Continued digitisation of paper records and forms for all departments. Information review taking place at the same time.	Building Control services have implemented changes to comply with new reporting requirements set by the Building Safety Regulator. The Building Safety Levy regulations come into force in October 2026. The Community Infrastructure Levy (CIL) department will be responsible for collecting the Building Safety Levy. Changes to the election of Chairs/ Vice Chairs to reflect changes to proportionality. Building Control introduced a cross reference of demolition and self-build relief for automated report generation for government returns. Increased use of PPAs has resulted in underspend and some external support cost neutral. Building Control now sends out over 95% of documentation electronically. Digitisation will assist with a smooth transition into Local Government Reorganisation.

Focus and further development for 2026/2027

To develop robust governance frameworks, effective resource planning, and risk management arrangements, while ensuring compliance with statutory obligations arising from Local Government Reorganisation.

Recruitment to be able to meet the requirements of the Building Safety Levy.

Recruitment concerns in Development Services. Development Management Manual being created which will address expectations for new colleagues.

Recruitment of S106 Officer to monitor compliance with conditions, income and expenditure.

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

Key element	How the council achieves this	Development in 2025/2026
Defining and documenting the roles and responsibilities of Members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.	The council's Constitution sets out how the council operates and decisions are made. This contains separate articles and key documents covering the Member Code of Conduct, Proper Officer functions, and protocols for the Monitoring Officer. As the Head of Paid Service, the Chief Executive leads the officers and chairs the council's Corporate Management Team. The other two statutory officers, the Monitoring Officer and S151 Officer, report directly to the Chief Executive and are both members of the Corporate Management Team. Regular meetings are held between the Leader of the Council and Chief Executive, and the Leader of the Council and Corporate Management Team to maintain a shared understanding of roles and objectives. In addition, regular meetings are also held with the leaders of the Opposition alongside the Corporate Management Team.	
Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015).	The council establishment includes a Chief Finance Officer (CFO), ensuring the financial management arrangements conform with the requirements within the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015). This responsibility was discharged by the Director Finance, S151 Officer, during 2025/2026.	

Key element	How the council achieves this	Development in 2025/2026
Assessment of CIPFA SOLACE's Code of Practice for Good Governance that was issued in June 2024 on the role of Statutory Officers CEO, S151 and MO.	Statutory officers meet quarterly, and meet regularly with CMT, Leader of the Council, service leads. Consultations of proposed policies which have significant legal, financial and ethical implications. Statutory officers are supported to undertake continuous professional development. MO is gold command under the Civil Contingencies Act 2004.	A self-assessment of the council's Statutory Officers, comprising the Head of Paid Service, Chief Finance Officer, and Monitoring Officer, was undertaken in May 2026 in accordance with CIPFA guidance.
Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function.	The Monitoring Officer is a statutory appointment under Section 5 of the Local Government and Housing Act 1989. These responsibilities were delivered by the Director Legal in 2024/2025. The Monitoring Officer undertakes to discharge their statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the council. In doing so they will also safeguard, so far as is possible, members and officers whilst acting in their official capacities, from legal difficulties and/or criminal sanctions. It is important that Members and officers work together to promote good governance within the council. The Monitoring Officer plays a key role in this, and it is vital that Members and officers work with the Monitoring Officer to enable them to discharge their statutory responsibilities and other duties. There are working arrangements and understandings in place between the Monitoring Officer, Members and the Corporate Management Team, which are designed to ensure the effective discharge of the council's business and functions. These arrangements are detailed in the Monitoring Officer Protocol, in the council's Constitution.	
Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function.	The role of Head of Paid Service is defined in the Local Government and Housing Act 1989. In East Cambridgeshire District Council, it is assigned to the Chief Executive as set out in the Constitution and all necessary powers are delegated to fulfil the statutory role. The council is also required to provide the Head of Paid Service with staff, accommodation and other resources sufficient to enable the performance of the function. The annual budget proposed to council, prepared by officers, seeks to align the provision of council resources with the delivery of the Corporate Plan. In this manner, the Head of Paid Service ensures that the council is fulfilling its duty.	

Key element	How the council achieves this	Development in 2025/2026
Providing induction and identifying the development needs of members and officers in relation to their strategic roles, supported by appropriate training.	There is a Member induction and training programme in place. Members are also required to undertake specific training before performing certain duties such as planning and licensing. Additional Member seminars are also arranged throughout the year to deal with specific issues as they arise. There is a corporate induction programme for all new employees. Service lead participation in professional networks enables sharing of latest best practice and benchmarking.	Member seminars included: • May 2025, Local Government Reorganisation (LGR) • June 2025, Agricultural Reservoirs • July 2025, Local Nature Recovery Strategy • September 2025, New Waste Service • September 2025, Kingsway NSIP • October 2025, ARP Briefing (Finance and Assets members) • November 2025, Cambridgeshire County Council (CCC) Cycle Routes • January 2025, Council Budget • February 2026, LGR update • May 2026, Planning Regs
	Staff training and development needs are reviewed at performance appraisals and supervision meetings. All officer posts within the council have a detailed job description and person specification. The development needs of officers are determined through an annual performance appraisal, a key outcome of which is a Personal Development and Training Plan. This plan provides a link between service and corporate priorities and career development. Requests for professional/vocational training are presented to Corporate Management Team annually for final consideration. Continuous professional development completed by professional officers. Succession planning within key service area roles.	The staff training budget has been increased in 2026, in preparation for Local Government Reorganisation.

Key element	How the council achieves this	Development in 2025/2026
Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	Healthy You programme is promoted with council staff. Promotion of health and wellbeing resources available via the council's intranet pages. Remote Working Policy adopted and health and safety advice available to support staff working on and off site. Every department has a health and safety representative in the working group. Health and Safety codes of practice made available to all staff on the Intranet. Flexible retirement policy in place. Volunteering Policy which supports staff to do a range of volunteering opportunities that positively impact on the community, helps vulnerable people in our society and/or helps to improve the environment in East Cambridgeshire.	Vulnerable Community Strategy updated in 2025.
Proactive and effective use of technology to support service delivery.	Adoption of employee self-service systems for payroll and human resources activity. The HR service actively supports staff to access and use the HR and Payroll system. Using the Employee Self-Service (ESS) functionality, staff can submit mileage and expenses claims, childcare claim and book leave. The HR service also supports service leads using the People Manager platform to manage their team's time and expense claim forms, leave requests, sickness absence and so on. Refreshing and reviewing systems to ensure these remain effective and up to date.	Introduction of Generative Artificial Intelligence (AI) Acceptable Use. Implementation of Microsoft Co-Pilot. The promotion of CRM self-serve accounts via the corporate website has resulted in increased uptake of CRM self-serve forms, streamlining the reporting process for customers and reducing the number of steps required. Digital Services has introduced six-monthly service review meetings across all services to review and update webpages, supporting customers in finding accurate and helpful information and reducing unnecessary customer contact.

Focus and further development for 2026/2027

Continued development and promotion of self-serve accounts, including the introduction of a Waste Services customer portal.

Principle F, managing risks and performance through robust internal control and strong public financial management

Key element	How the council achieves this	Development in 2025/2026
Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.	The council has a Risk Management Policy and framework to detail the approach to managing risks. The latest policy was approved by Full Council in February 2024. The council's Corporate Risk Register is the result of continuous review by a Risk Management Group, the Corporate Management Team and the Audit Committee, of the key risks that may have an impact on achieving the council's objectives. Each risk shows the owner the key controls in place to minimise any impact on the council and its provision of services to stakeholders and sources of assurance. Individual projects and partnerships are also subject to risk assessments. Service leads are asked to identify and highlight major risks at a service level for consideration by the Risk Management Group. Other service risks are managed by service leads via the Service Planning process. The Business Continuity Plan ensures that the council can plan for, and respond to, a disruptive incident to continue service delivery and business operations at an acceptable predefined level. Risks are considered when drafting project and event plans and reviewed at the end of each stage, as part of the project planning process. Data Protection Impact Assessments are undertaken for all new data processes that are deemed to have risks to personal data. The Communications Team regularly enters new partnerships and collaborations. It carefully monitors all formal and informal agreements and carries out risk assessments as required, for example when contracting work on behalf of other service leads or hosting publicity events.	The creation of a Negotiation Protocol and other streamlining initiatives in the Planning Department has reduced the time spent on individual planning applications. This has created additional capacity within the team and improved the timeliness of decision-making.
Ensuring compliance with the principles of the CIPFA Financial Management Code.	The council's S151 Officer is satisfied that there is compliance with the principles in the Financial Management Code.	

Key element	How the council achieves this	Development in 2025/2026
Ensuring an effective scrutiny function is in place.	The council has a Call-In and Referral Up Procedure which is part of the Constitution. This enables councillors to call in decisions made by the Policy Committees. Council can then consider the matter afresh and make a final decision which could be to uphold, amend or reject the previous decision of the Policy Committee. The council provides Members to other Scrutiny Committees, where required, to review the performance and effectiveness of other public service providers as well as the council. Examples include the Cambridgeshire Police and Crime Panel, Health and Wellbeing Board and the Community Safety Partnership. Independent Remuneration Panel (IRP) was appointed to make recommendations on allowances paid to councillors.	
Ensuring effective counter fraud and anti-corruption arrangements are in place.	An Anti-Fraud and Corruption Strategy is included in the Constitution, which includes procedures relating to Money Laundering and Bribery Act. All Officers undertake compulsory Fraud Awareness training The council is a member of the Cambridgeshire Fraud Hub and participates in the National Fraud Initiative (NFI) exercises to identify potential indicators of fraud or error. Both ARP and Licensing National Anti-Fraud Network membership, which can be utilised for fraud investigations. Fraud reporting email address made available for reporting concerns, this is monitored by the S151 Officer. ARP has a fraud department and investigates under the Prevention of Social Housing Fraud Regulations 2014.	In October 2025, the Audit Committee approved an update to the Anti-Fraud and Corruption Strategy to reflect the introduction of the "failure to prevent fraud" offence under the Economic Crime and Corporate Transparency Act 2023. In 2025/2026, the most common type of fraud identified is the misuse of Council Tax Single Person Discount. Fraud statistics are published as part of the council's Open Data on its website.
Gaining assurance on risks associated with delivering services through third parties.	The council's Corporate Risk Register details the governance controls that it maintains over its trading companies, to ensure that any risks associated with these are quickly identified. As part of the processes included in this, is the need for the companies to produce an annual Business Plan that includes a risk management section for approval at Committee. The council enters into sharing agreements, service level agreements and memorandums of understanding with external bodies, which provide assurance on risk. This includes, for example, agreements with Sanctuary, ARP and the Community Safety Partnership.	

Key element	How the council achieves this	Development in 2025/2026
Undertaking the core functions of an audit committee, as identified in Audit Committees, Practical Guidance for Local Authorities and Police (CIPFA, 2022).	The Audit Committee, for the financial year 2025/2026, operated in line with its terms of reference and supporting procedure rules covering internal and external audit, risk management, annual statement of accounts, corporate governance and internal control arrangements, and anti-fraud and corruption arrangements. In accordance with guidance, the Audit Committee does not engage in decision making which would impact upon its independence.	In February 2025 Audit Committee members participated in a self-assessment against the CIPFA 2022 guidance and devised an action plan for ongoing improvement. An annual report to council, reflecting on the work of the Committee was produced for 2025/2026 and approved by Full Council in May 2026.
Arrangements for managing data to ensure security, quality and accuracy.	The council has a Data Protection Officer (DPO) and Senior Information Responsible Officer (SIRO). Service leads ensure data is managed in line with the council's data protection guidelines. Where parts of the service are outsourced or delivered in partnership, and the third-party processes or has access to council data, assurance is obtained from the third party regarding the robustness of systems and controls it has in place.	Annual Information Governance Report provided to Audit Committee, detailing DPO performance data. Sharing agreements created for new partnerships and regularly reviewed for current partnerships.

Focus and further development for 2026/2027

Maintain comprehensive and accurate financial records throughout Local Government Reorganisation, in accordance with the CIPFA Code of Practice on Local Authority Accounting.

Work closely with other councils to develop a clear understanding of the emerging risk landscape that could affect governance, financial sustainability, service delivery, and organisational resilience from day one.

Ongoing development of the Bereavement Centre and new service design.

IPCO is due to conduct RIPA inspection due at the end of 2026.

Principle G, implementing good practices in transparency, reporting, and audit, to deliver effective accountability

Key element	How the council achieves this	Development in 2025/2026
Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.	The council provides support and information to the externally appointed auditors (Ernst and Young LLP). Audit findings and recommendations are reported through the Audit Committee.	The External Audit of the 2024/2025 accounts were both signed off by EY disclaimed audit opinion. The disclaimed opinion was given as problems with the Local Audit Market. It should be noted that the council published their 2024/2025 draft Accounts in line with the statutory requirement.
Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.	The council demonstrates a strong commitment to working in partnerships with other agencies to deliver priority outcomes and ensure that this partnership activity provides value for money and added value. The governance arrangements for key partnerships are kept under review. Governance arrangements for significant partnerships, such as the East Cambridgeshire Trading Company, East Cambridgeshire Street Scene and the Anglia Revenues Partnership, are documented in the Constitution.	The new Waste Service was successfully implemented. The project was externally audited with a high level of compliance/assurance received.

Key element	How the council achieves this	Development in 2025/2026
Ensuring an effective internal audit service with direct access to members is in place, providing assurance regarding governance arrangements and that recommendations are acted upon.	During 2025/2026 Internal Audit was delegated to North Northamptonshire Council which was led by a professionally qualified Chief Internal Auditor in accordance with the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations, the Global Internal Audit Standards, the Local Government Application Note and the CIPFA Code of Practice. The Internal Audit Charter is in line with the Global Internal Audit Standards in the public sector and provides the necessary access required to exercise this key role. The Chief Internal Auditor has been an attendee at all Audit Committee meetings and progress reports on delivery of the audit plan have been provided throughout the financial year. Implementation of audit recommendations are subject to monthly follow ups by the Internal Audit team and progress is reported to every committee meeting via a progress report.	Implementation of 95% of agreed actions from Internal Audit reports due during 2025/2026. The Audit Committee approved a revised Internal Audit Charter to align with the Global Internal Audit Standards in the public sector from April 2025 and again in March 2026. The Audit Committee received a full copy of the External Quality Assessment of the Internal Audit service in July 2025. This provided very positive feedback on the quality of the service and an assessment that the service 'general conforms' with the Public Sector Internal Audit Standards (the highest rating available) and highlighted that performance exceeded that of comparable local authorities assessed. The report also identified areas to develop further, with an action plan presented to the Committee with the Chief Internal Auditor's responses and actions taken.

Focus and further development for 2026/2027

To receive the outcome of the External Quality Assessment of Internal Audit and monitor implementation of any actions arising.

Work collectively with other councils for Local Government Reorganisation, including representation on LGR workstreams, creating terms of reference for joint committee, the S24 Direction and Structural Changes Order.

To develop and deliver a training plan for the Audit Committee Members.

5. Review of effectiveness

5.1. East Cambridgeshire District 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 directors within the council who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditors annual report, and by comments made by the external auditors and other review agencies and inspectorates.

5.2. The following is a brief description of the roles and processes that have been applied in evaluating the effectiveness of the governance framework:

1.) The council

In July 2023 the council approved the Corporate Plan for 2023 to 2027 which forms the basis of the performance management framework. Council reviews progress against the plan, ensuring it remains committed to the priorities whilst delivering a balanced budget. An updated action plan for 2025 to 2026 was approved by council in September 2025.

Council approved financial documents including the Medium-Term Financial Strategy, Capital Strategy, General Fund Revenue Budget, Treasury Management Strategy, and the Council Tax Reduction Scheme. The Medium-Term Financial Strategy provides the financial structure for the policy and budget framework, corporate planning, annual service planning and budget setting.

Section 151 of the Local Government Act 1972 requires that every local authority shall make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for administration of those affairs. This role was discharged by the council's Director, Finance and S151 Officer during 2025/2026.

The CIPFA Financial Management Code published in October 2019 sets out the financial standards of financial management for local authorities. Full adoption of the Code commenced on 1 April 2021. The council's s151 Officer is satisfied that there is compliance with the principles in the Financial Management Code.

The council has appointed Independent Persons in accordance with the standards framework to be compliant with the Localism Act 2011.

Council approved key strategies and policies, such as the Corporate Plan and the revised Corporate Risk Management Policy, are in place and communicated to officers and Members.

2.) The Finance and Assets Committee

The Committee reviewed and noted quarterly budget monitoring reports and regular updates on assets.

The Committee recommend that council approve financial reports, such as the Treasury Management Strategy, Treasury Management Annual Performance Review, the Annual Investment Strategy, Revenue Budgets, Capital Strategy, Council Tax, overall Council Budget reports, and reviewed the minutes of the ARP Joint Committee, as the partnership which delivers revenues and benefits for the council.

In undertaking its role as the Shareholder Committee for East Cambridgeshire Trading Company (ECTC), in March 2026, the Committee approved the Business Plan for 2026/2027. The Committee also noted the ECTC accounts for 2024/2025 September 2025.

The Committee received the annual Health and Safety report for 2024/25 in September 2025. This provided a summary of East Cambridgeshire District Council (Council), East Cambs Trading Company (ECTC) and East Cambs Street Scene (ECSS) health and safety performance to the end of the financial year 2024/2025 and set out the commitments relating to health and safety for the year 2025/2026.

In September 2025 the Committee approved the Health and Safety Policy 2025.

In March 2026, the Committee received the Annual Equality Monitoring report, in accordance with the Public Sector Equality Duty.

The Committee received an Asset Management Plan for 2026/2027 in March 2026.

3.) The Audit Committee

The Committee performed the role of the Audit Committee as defined by the Public Sector Internal Audit Standards, which covered internal and external audit matters, risk management arrangements, corporate governance including internal control arrangements and the annual governance statement, anti-fraud and corruption arrangements, and the statement of accounts.

The Committee received reports on corporate risks, the work and findings of internal audit, including the annual report, and external audit reports, letters and briefings. It also reviewed and approved the Annual Governance Statement for 2024/2025.

The committee received regular updates on the outcome of internal audit assignments and the implementation of actions agreed based on those findings.

4.) The Operational Services Committee

The Committee received and noted budget monitoring reports.

In March 2026, an update on the Community Safety Partnership was received for the Committee's noting.

The Committee approved a Public Space Protection Order (PSPO) to address Vehicle Related Anti-Social Behaviour.

The Committee approved Resource and Waste Strategy (2025 to 2031), a joint document produced by the Cambridgeshire and Peterborough Waste Partnership.

The Committee received performance monitoring updates on the Citizens Advice Service and our agreement with Voluntary and Community Action.

In undertaking its role as the Shareholder Committee for East Cambridgeshire Street Scene (ECSS), the Committee received performance reports for the delivery of the waste and street cleansing services by ECSS. The Committee also approved the ECSS Business Plan for 2026/2027 and half yearly performance report. The Committee also noted the ECSS statutory accounts and governance statement for 2024/2025.

5.) Relationship between the council and its trading companies

The shareholder arrangements for the Finance and Assets and Operational Services Committee are detailed above. In addition, there are several matters reserved for council (as the sole shareholder) as detailed in the Shareholder Agreement. The council continues to implement the revised arrangements for the membership of the ECTC and ECSS board and wider member scrutiny (ref: Council – 17 October 2019 Agenda Item 14 and 15) specifically the appointment of the Leader of Council or Deputy Leader of Council and the respective Chairman of Committee to the Boards as Observers, the membership of the Boards to include the respective Director, delegations of functions of council to the respective Committee to meet its shareholder responsibilities and an annual all member shareholder seminar.

6.) Internal Audit

The council takes assurance about the effectiveness of the governance environment from the work of Internal Audit, which provides independent and objective assurance across the whole range of the council's activities. It is the duty of the Chief Internal Auditor to give an opinion on the adequacy and effectiveness of internal control within the council. This opinion has been used to inform the Annual Governance Statement.

The Chief Internal Auditor's annual report will be presented to the Audit Committee in July 2026. This report outlined the key findings of the audit work undertaken during 2025/2026 including any areas of significant weakness in the internal control environment.

The Chief Internal Auditor's annual opinion for 2025/2026 is, It is my opinion that Good Assurance can be given over the adequacy and effectiveness of the council's control environment for 2025/2026. This control environment comprises of the system of internal control, governance arrangements and risk management. Any limitations regarding this opinion are detailed and explained further (within the report)'.

The following is noted, 'For the audits completed by the Internal Audit service in 2025/2026, 100% of the opinions given in relation to the control environment and compliance have been of at least Moderate Assurance. There have been no reports issued with an opinion of 'high' organisational impact. Of the audits completed by the Internal Audit service, 67% of opinions were of 'Substantial' or 'Good'; and 'Of the agreed management actions due for implementation during 2025/2026, 95% had been completed during the year.'

7.) External audit

Under the Government's local public audit regime, the Public Sector Audit Appointments Limited, have awarded contracts for work previously carried out by the Audit Commission's audit practice. As a result, Ernst and Young (now EY) were appointed as the external auditors for East Cambridgeshire District Council from the 1st of April 2023 until the 31st of March 2028. This appointment was made under Regulation 13 of the Local Audit (Appointing Person) Regulations 2015.

In April 2025 EY provided their Auditor's Annual Report including the Value for Money (VFM) arrangements for the council. The report concluded that no significant risks or significant weaknesses were identified; that the council had proper arrangements in place to enable it to plan and manage its resources to ensure that it can continue to deliver its services, and that the council had proper arrangements in place to make informed decisions and properly manage its risks.

EY reported to the Audit Committee in January 2026 in the Audit Results Report that the financial statements were published on time, meeting 30 June 2025, deadline, and that the supporting evidence for key accounting estimates was generally of good quality and delivered as agreed.

In February 2026 EY issued a Disclaimer of Opinion for the 2024/2025 accounts. Due to the disclaimers of opinion on the financial statements in the prior years, delays in receiving associated audit evidence and the inability of the council to support the audit in advance of the backstop date of 27 February 2026, EY were not able to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the council's financial statements for the year ended 31 March 2025.

6. Significant governance issues and actions

The review of the effectiveness of the Governance Framework has provided a satisfactory level of assurance. The review process identified the following significant issues, based on the criteria set out in guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) for determining what constitutes a significant governance issue.

The 2024/2025 accounts resulted in a disclaimed opinion, with recommendations raised around the quality and consistency of draft accounts and supporting working papers. The Finance Team is actively working to address the recommendations to improve the 2025/2026 accounts preparation process, although it is recognised that due to ongoing national issues within the Local Audit Market, it is expected that future audit opinions may continue to be disclaimed or qualified, rather than reflecting specific issues within the council itself.

Looking ahead to devolution and Local Government Reorganisation, we will be working with partners to ensure that appropriate governance arrangements are in place for the new authorities created, ensuring that the new authorities are safe and legal from day one.

Based on the work that has been completed, assurance can be taken that the governance arrangements at East Cambridgeshire District Council are fit for purpose.

7. Statement by Leader of the Council and Chief Executive

The council has in place strong governance arrangements which we are confident protects its interests and provide necessary assurances to the community and stakeholders.

We propose over the coming year to continually address any issues arising that need addressing to further enhance its governance arrangements.

Signed

Anna Bailey

Leader of the Council

Date

Signed

Emma Grima

Chief Executive

Date

End of document